Marketing Estratégico

Programa de Desarrollo Profesional

PROFESOR
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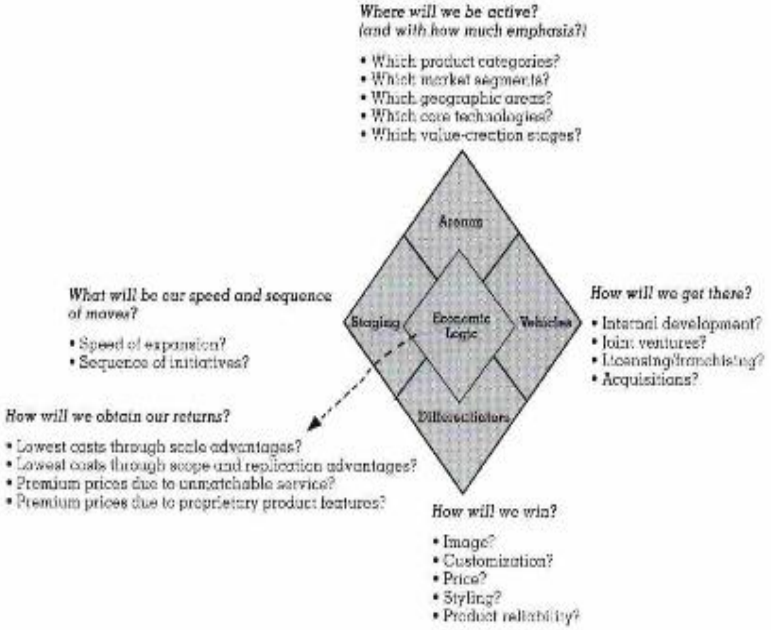
Escuela de organización industrial

www.eoi.es

BY NC SA

The strategy Diamond



Where will we be active?
(and with how much emphasis?)

- Which product categories?
- Which market segments?
- Which geographic areas?
- Which core technologies?
- Which value-creation stages?

What will be our speed and sequence of moves?

- Speed of expansion?
- Sequence of initiatives?

How will we get there?

- Internal development?
- Joint ventures?
- Licensing/franchising?
- Acquisitions?

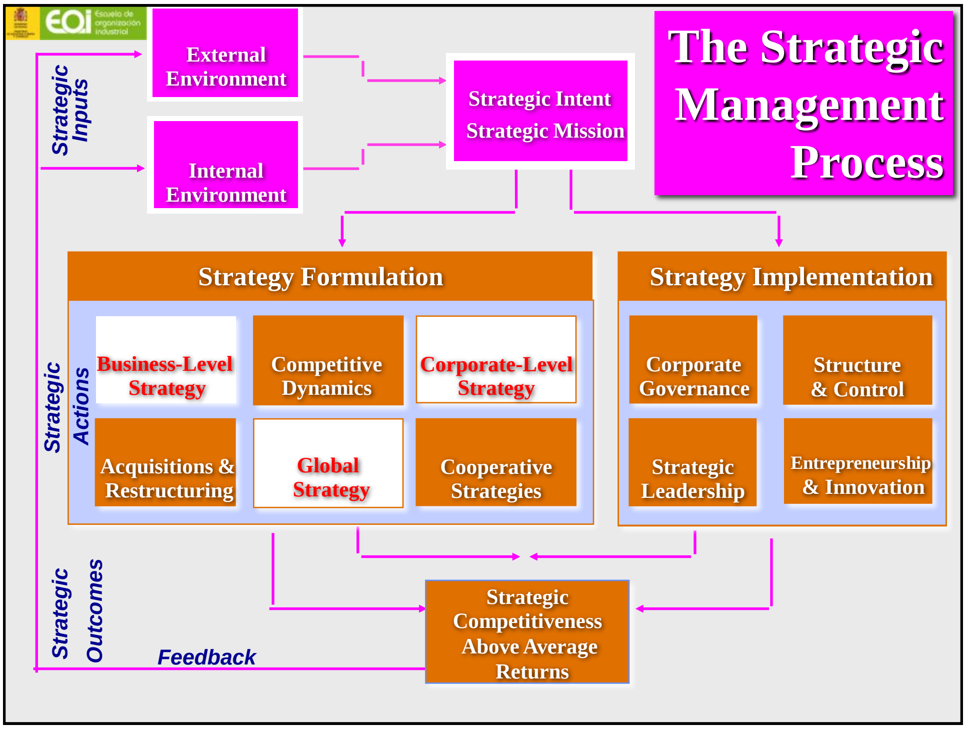
How will we obtain our returns?

- Lowest costs through scale advantages?
- Lowest costs through scope and replication advantages?
- Premium prices due to unmatchable service?
- Premium prices due to proprietary product features?

How will we win?

- Image?
- Customization?
- Price?
- Styling?
- Product reliability?

The Strategic Management Process



Strategic Inputs

External Environment

Internal Environment

Strategic Intent

Strategic Mission

Strategic Actions

Strategy Formulation

Business-Level Strategy

Competitive Dynamics

Corporate-Level Strategy

Acquisitions & Restructuring

Global Strategy

Cooperative Strategies

Strategy Implementation

Corporate Governance

Structure & Control

Strategic Leadership

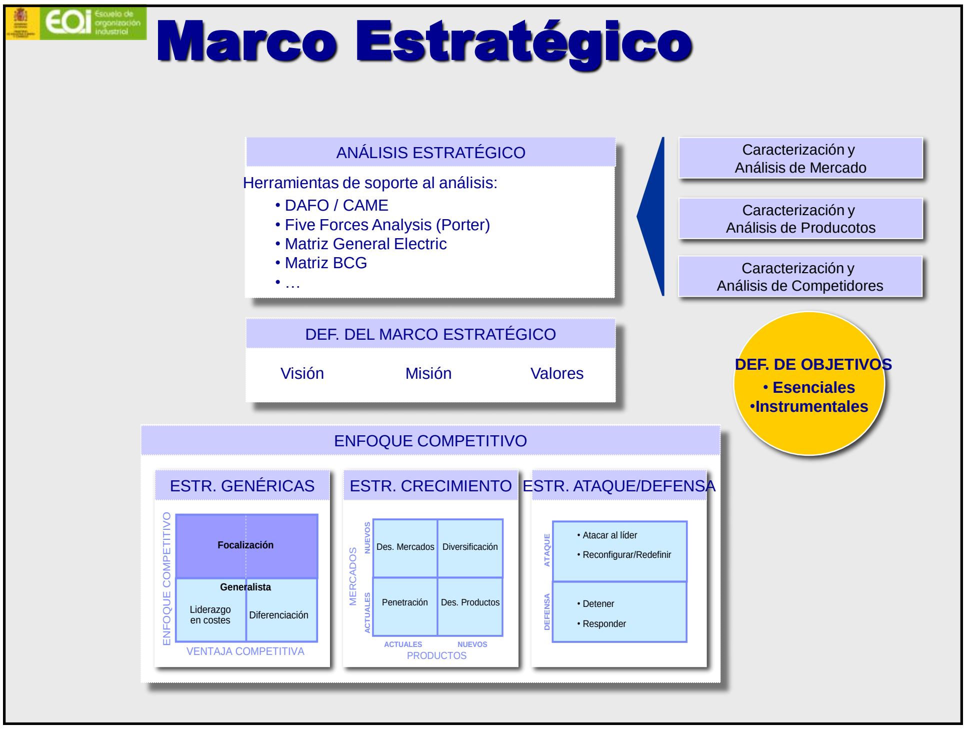
Entrepreneurship & Innovation

Strategic Outcomes

Strategic Competitiveness Above Average Returns

Feedback

Marco Estratégico



ANÁLISIS ESTRATÉGICO

Herramientas de soporte al análisis:

- DAFO / CAME
- Five Forces Analysis (Porter)
- Matriz General Electric
- Matriz BCG
- …

Caracterización y Análisis de Mercado

Caracterización y Análisis de Producotos

Caracterización y Análisis de Competidores

DEF. DEL MARCO ESTRATÉGICO

Visión   Misión   Valores

DEF. DE OBJETIVOS

- Esenciales
- Instrumentales

ENFOQUE COMPETITIVO

ESTR. GENÉRICAS

ENFOQUE COMPETITIVO

Focalización

Generalista

Liderazgo en costes

Diferenciación

VENTAJA COMPETITIVA

ESTR. CRECIMIENTO

MERCADOS	ACTUALES	NUEVOS
NUEVOS	Des. Mercados	Diversificación
ACTUALES	Penetración	Des. Productos

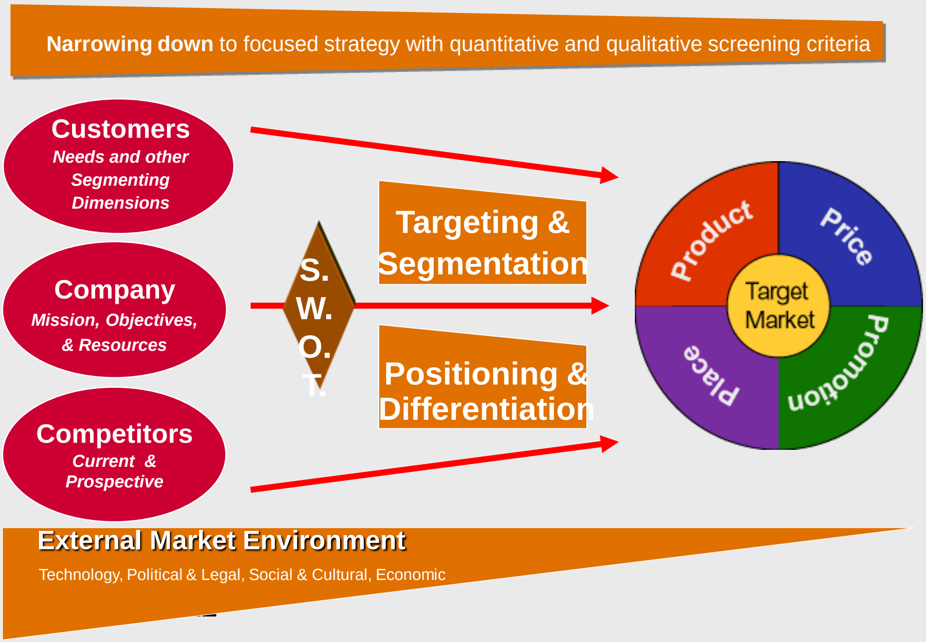
PRODUCTOS

ESTR. ATAQUE/DEFENSA

ATAQUE
- Atacar al líder
- Reconfigurar/Redefinir

DEFENSA
- Detener
- Responder

Marketing Strategy Planning Process



Narrowing down to focused strategy with quantitative and qualitative screening criteria

Customers
Needs and other Segmenting Dimensions

Company
Mission, Objectives, & Resources

Competitors
Current & Prospective

S. W. O. T.

Targeting & Segmentation

Positioning & Differentiation

External Market Environment

Technology, Political & Legal, Social & Cultural, Economic

STRATEGIC MANAGEMENT IN GLOBAL CORPORATIONS

Business Strategy Tools

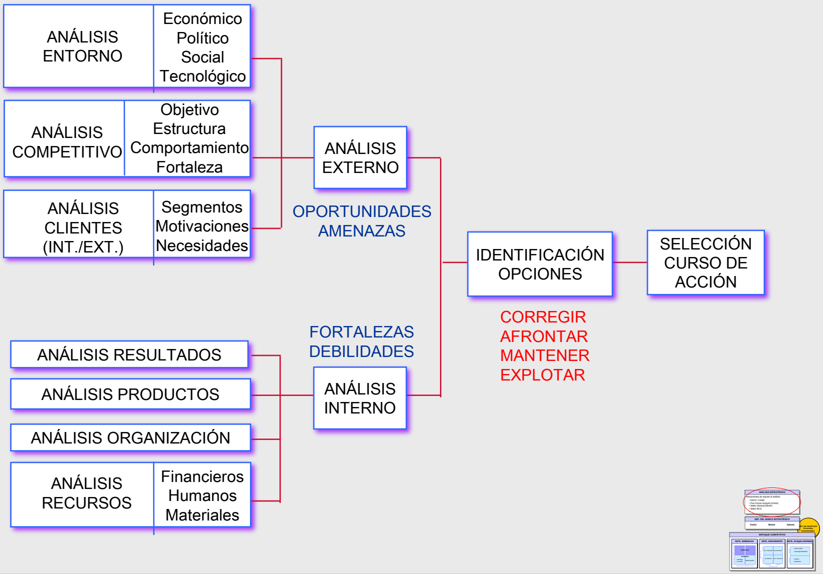
5 FORCES ANALYSIS (PORTER)
BCG, GE
SWOT MATRIX
MATRIZ DE VULNERABILIDAD
IA (Industry Attractiveness) MATRIX (EFE)
CS (Competitive Strenghts) MATRIX (EFI)
9-CELLS MATRIX (MAC KINSEY- GE MODEL)
TOWS MATRIX (STRATEGIC MAIN LINES)
ANSOFF MATRIX (GROWING STRATEGIES)
SPACE MATRIX
VALUE CHAIN ANALYSIS
STRATEGIC GROUP MAP
STRATEGIC FIT (SINERGIES)

SIGMOID CURVE
MATRIZ DE COMPLEJIDAD
MAGIC MATRIX
ONE PAGE PLAN

EFE, EFI Y MCKINSEY

DAFO

ELABORACIÓN DEL DAFO



ANÁLISIS ENTORNO
Económico
Político
Social
Tecnológico

ANÁLISIS COMPETITIVO
Objetivo
Estructura
Comportamiento
Fortaleza

ANÁLISIS CLIENTES (INT./EXT.)
Segmentos
Motivaciones
Necesidades

ANÁLISIS EXTERNO

OPORTUNIDADES
AMENAZAS

ANÁLISIS RESULTADOS

ANÁLISIS PRODUCTOS

ANÁLISIS ORGANIZACIÓN

ANÁLISIS RECURSOS
Financieros
Humanos
Materiales

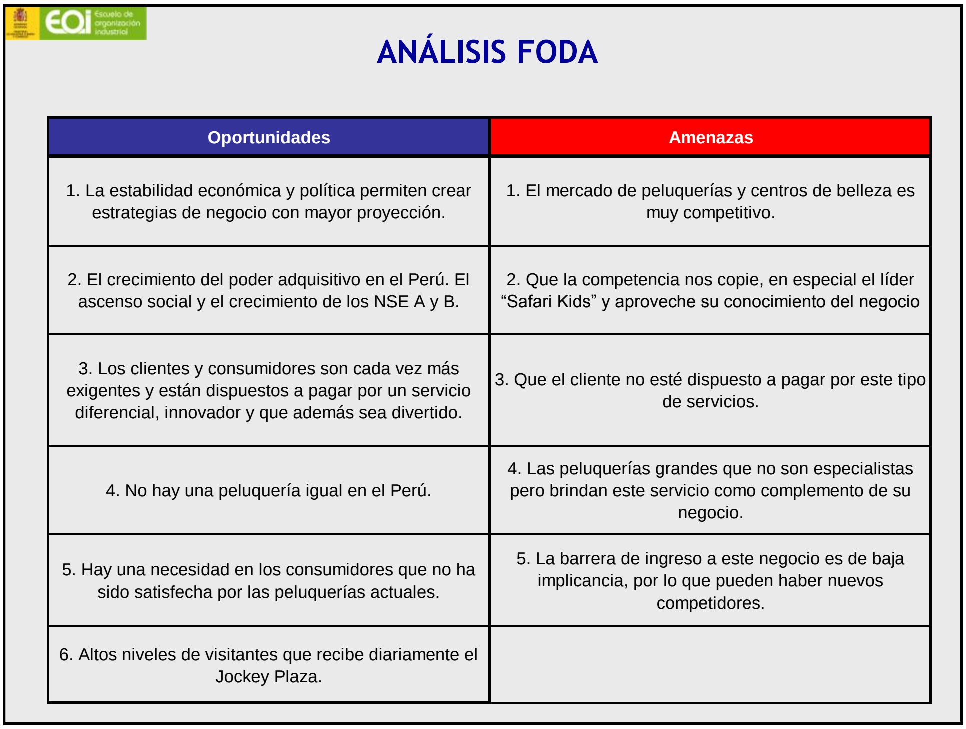
FORTALEZAS
DEBILIDADES

ANÁLISIS INTERNO

IDENTIFICACIÓN OPCIONES

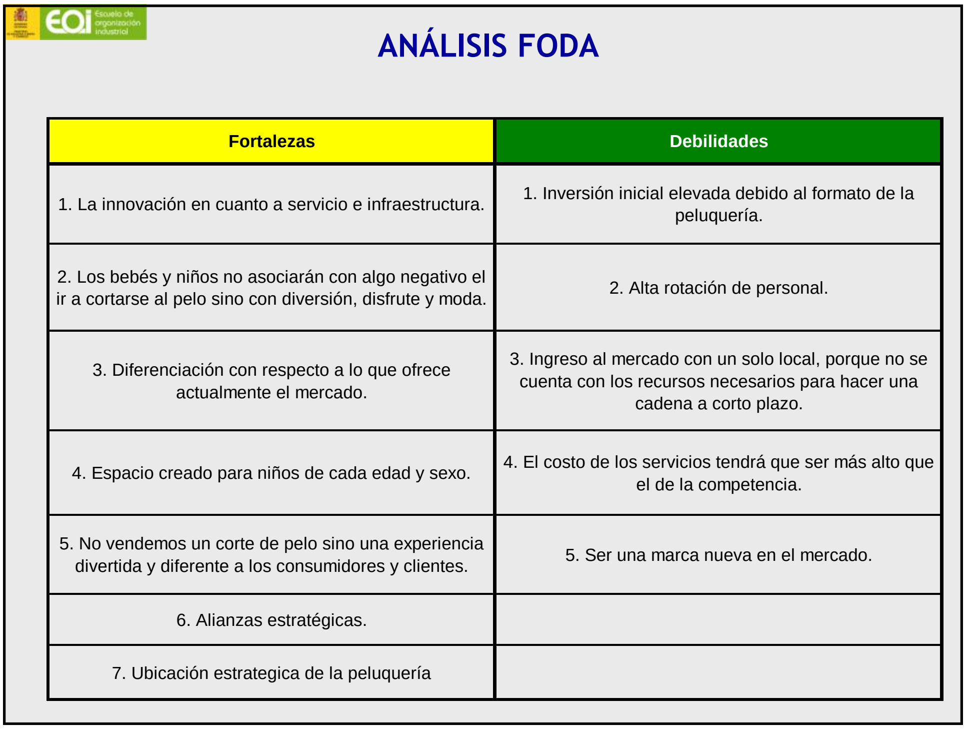
CORREGIR
AFRONTAR
MANTENER
EXPLOTAR

SELECCIÓN CURSO DE ACCIÓN



ANÁLISIS FODA

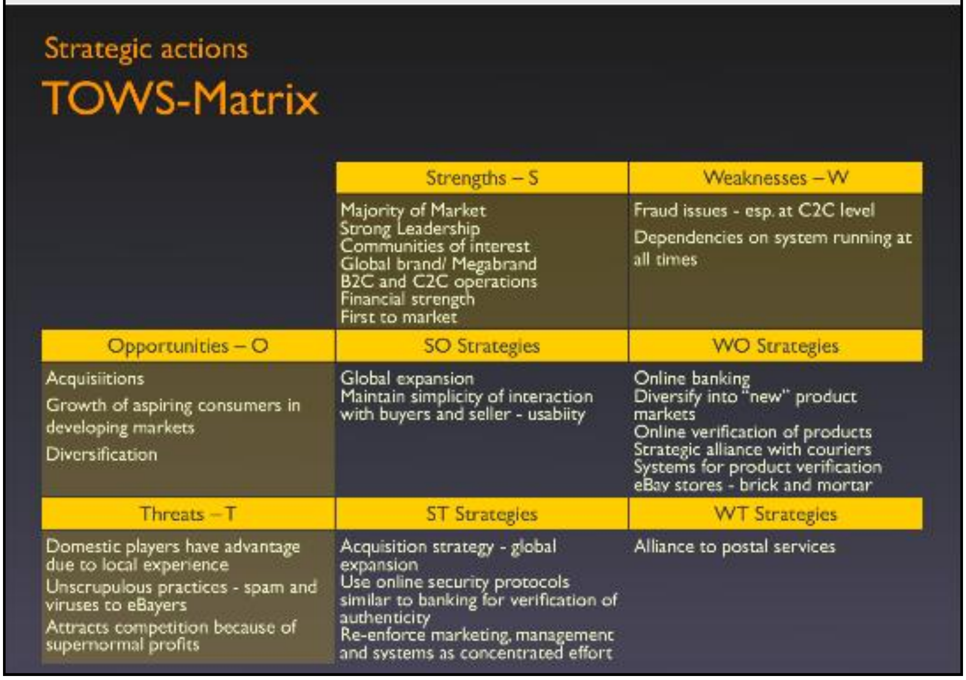
Oportunidades	Amenazas
1. La estabilidad económica y política permiten crear estrategias de negocio con mayor proyección.	1. El mercado de peluquerías y centros de belleza es muy competitivo.
2. El crecimiento del poder adquisitivo en el Perú. El ascenso social y el crecimiento de los NSE A y B.	2. Que la competencia nos copie, en especial el líder “Safari Kids” y aproveche su conocimiento del negocio
3. Los clientes y consumidores son cada vez más exigentes y están dispuestos a pagar por un servicio diferencial, innovador y que además sea divertido.	3. Que el cliente no esté dispuesto a pagar por este tipo de servicios.
4. No hay una peluquería igual en el Perú.	4. Las peluquerías grandes que no son especialistas pero brindan este servicio como complemento de su negocio.
5. Hay una necesidad en los consumidores que no ha sido satisfecha por las peluquerías actuales.	5. La barrera de ingreso a este negocio es de baja implicancia, por lo que pueden haber nuevos competidores.
6. Altos niveles de visitantes que recibe diariamente el Jockey Plaza.	



ANÁLISIS FODA

Fortalezas	Debilidades
1. La innovación en cuanto a servicio e infraestructura.	1. Inversión inicial elevada debido al formato de la peluquería.
2. Los bebés y niños no asociarán con algo negativo el ir a cortarse al pelo sino con diversión, disfrute y moda.	2. Alta rotación de personal.
3. Diferenciación con respecto a lo que ofrece actualmente el mercado.	3. Ingreso al mercado con un solo local, porque no se cuenta con los recursos necesarios para hacer una cadena a corto plazo.
4. Espacio creado para niños de cada edad y sexo.	4. El costo de los servicios tendrá que ser más alto que el de la competencia.
5. No vendemos un corte de pelo sino una experiencia divertida y diferente a los consumidores y clientes.	5. Ser una marca nueva en el mercado.
6. Alianzas estratégicas.	
7. Ubicación estrategica de la peluquería	

STRATEGIC MANAGEMENT IN GLOBAL CORPORATIONS

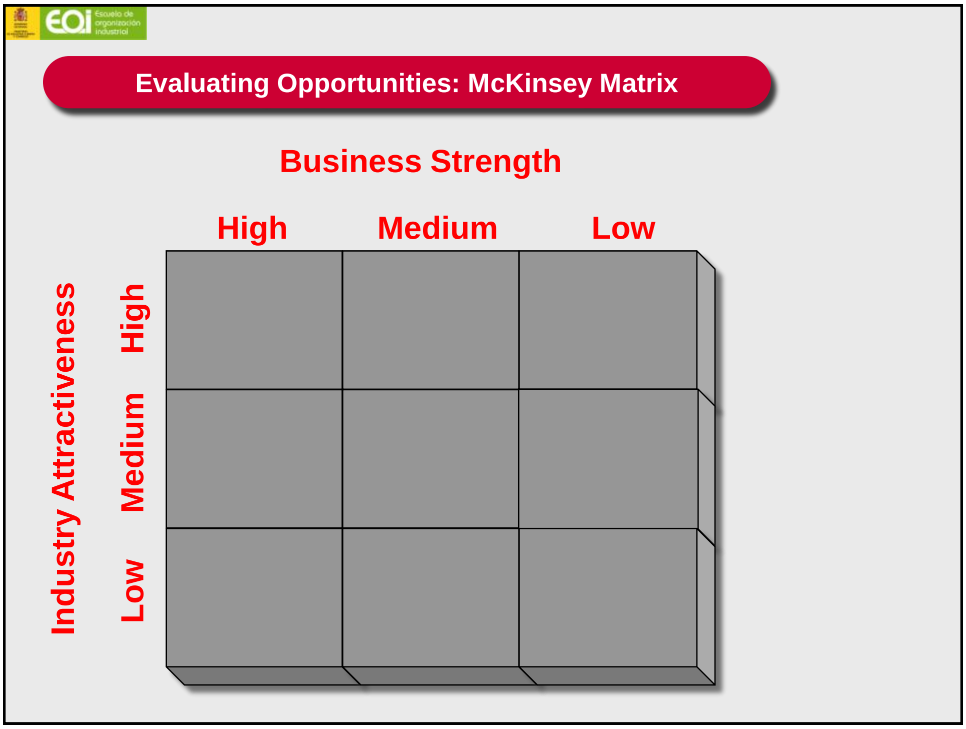


Strategic actions

TOWS-Matrix

	Strengths – S	Weaknesses – W
	Majority of Market Strong Leadership Communities of interest Global brand/ Megabrand B2C and C2C operations Financial strength First to market	Fraud issues - esp. at C2C level Dependencies on system running at all times
Opportunities – O	**SO Strategies**	**WO Strategies**
Acquisiitions Growth of aspiring consumers in developing markets Diversification	Global expansion Maintain simplicity of interaction with buyers and seller - usabiity	Online banking Diversify into "new" product markets Online verification of products Strategic alliance with couriers Systems for product verification eBay stores - brick and mortar
Threats – T	**ST Strategies**	**WT Strategies**
Domestic players have advantage due to local experience Unscrupulous practices - spam and viruses to eBayers Attracts competition because of supernormal profits	Acquisition strategy - global expansion Use online security protocols similar to banking for verification of authenticity Re-enforce marketing, management and systems as concentrated effort	Alliance to postal services

	PRIORIZACIÓN			
	1er Año	2do Año	3ro Año	4to Año
Estrategias de Crecimiento (Maxi-Maxi)				
1 / 2 / 3 / 4 / 7 Introducción de Nuevas marcas extranjeras.			X	
2 / 1 / 3 / 7 Buscar Liderar la introducción de nuevos productos de nuestro proveedores en el mercado.				X
3 / 2 / 3 / Desarrollo de nuestra marca propia		X		
4 / 3 Aumentar el surtido de productos en provincias.		X		
5 / 3 / 6 Desarrollo de Marca Propia de LCD	X			
6 / 3 / 6 / 8 Conseguir un Acuerdo Comercial con a nuestros proveedores para el desarrollo de modelos exclusivos para nuestras tiendas.		X		
7 / 1 / 2 / 8 Aumentar penetración en Provincias.		X		
Estrategias de Refuerzo (Mini-Maxi)				
4 / 1 Penetracion agresiva en el mercado de Lima		X		
3 / 3 Dar preferencia a la Marca propia de tiendas EFE en el punto de venta.	X			
Estrategias de Defensa (Maxi-Mini)				
1 / 3 / 5 Reforzar la alianza con la Edpyme Efectiva y darle mayor publicidad	X			
3 / 3 / 5 / 8 Aumentar ventas al crédito	X			
4 / 1 / 5 / 8 Mejorar el servicio al cliente (relacionamiento)	X			
5 / 3 / 7 Negociar con los proveedores pago de deuda en Soles, y vender al público en Soles.	X			
Estrategias de Reconversión o Retiro(Mini-Mini)				
1 / 1 Evaluar la rentabilidad por punto de venta y cerrar o reubicar estos punto para maximizar la rentabilidad por metro cuadrado.			X	
6/ 2 Establecer políticas de descuentos para evitar mantener inventarios que entran a la etapa de obsolescencia.		X		
2 / 3 Vender toda la carga financiera (cuentas por cobrar) a la EDPYME Efectiva.	X			

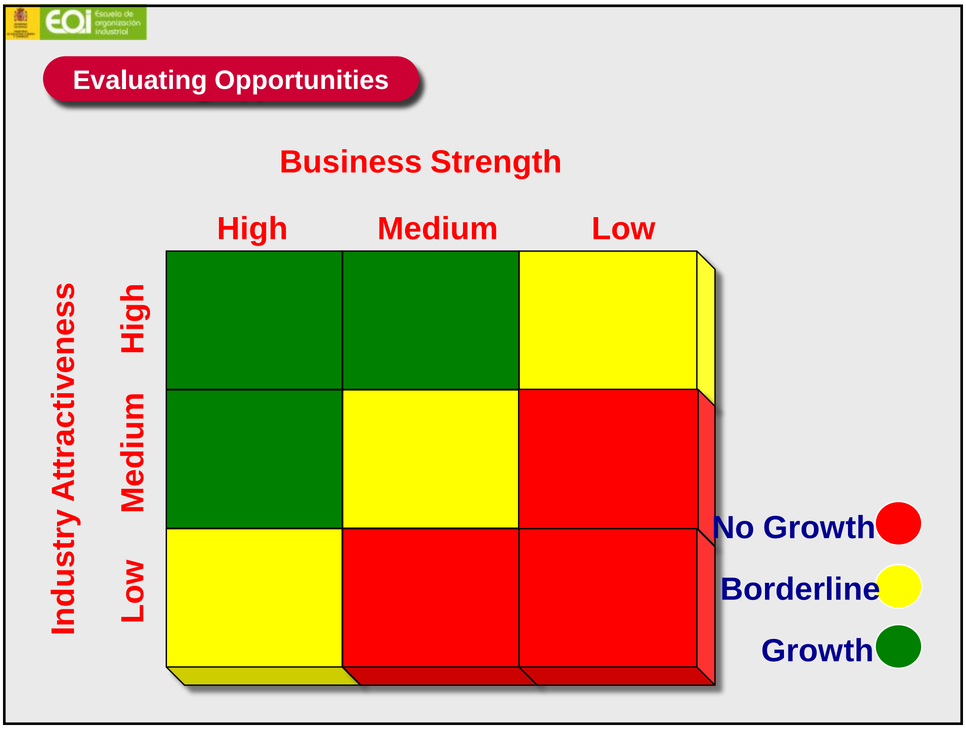


Evaluating Opportunities: McKinsey Matrix

Business Strength

Industry Attractiveness

	High	Medium	Low
High			
Medium			
Low			



Evaluating Opportunities

Business Strength

Industry Attractiveness

	High	Medium	Low
High	🟩	🟩	🟨
Medium	🟩	🟨	🟥
Low	🟨	🟥	🟥

No Growth 🔴
Borderline 🟡
Growth 🟢

Matrices EFE y EFI (Matrix IA and CS)

M.E.F.I. (CS)		VALUE	M.E.F.E. (IA)	
FORTALEZA MAYOR **MAJOR STRENGHT**	F4	**4**	O4	OPORTUNIDAD MAYOR **MAJOR OPPORTUNITY**
FORTALEZA MENOR **MINOR STRENGHT**	F3	**3**	O3	OPORTUNIDAD MENOR **MINOR OPPORTUNITY**
DEBILIDAD MAYOR **MAJOR WEAKNESS**	D1	**1**	A1	AMENAZA MAYOR **MAJOR THREAT**
DEBILIDAD MENOR **MINOR WEAKNESS**	D2	**2**	A2	AMENAZA MENOR **MINOR THREAT**

SWOT ANALYSIS MATRIX

OPPORTUNITIES	***THREATS***
Global Market penetration (economies of scale)	**Local Competitors (firstly Chinese)**
Snack Culture and Urbanization	**Global Competitors**
Distribution Center in the US and other major hubs	**Product cannibalism**
Middle Class raising in emerging Countries	**Logistic costs increase**
Real estate crisis	**Global crisis**
STRENGHTS	**WEAKNESSES**
Cost Leadership strategy (Standardization)	**Centralized Distribution system**
Different strategies (Customization, unique competencies)	
Efficient Distribution	
Information High Tech	
Fast delivery of new products, design and trends	

ZARA SWOT ANALYSIS

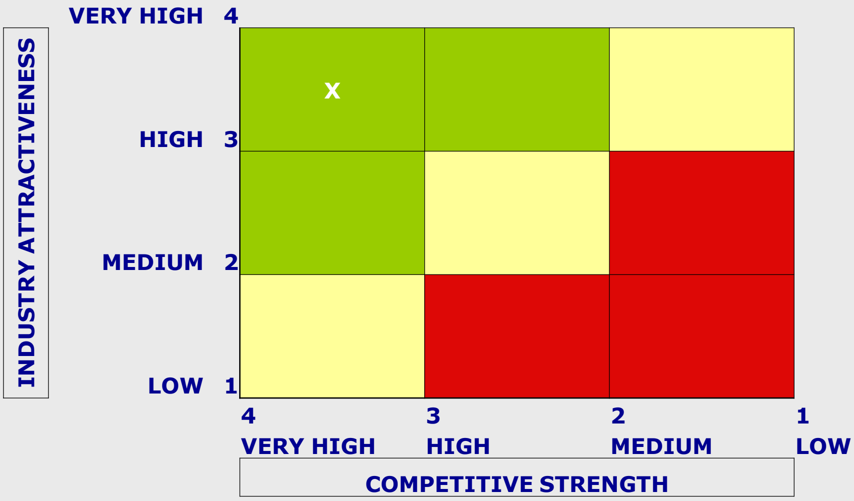
INDUSTRY COMPETITIVENESS (IC)			
KEY SUCCESS FACTORS	*Weight*	*1 to 4*	*Blended Weight*
OPPORTUNITIES			
Global Market penetration (economies of scale)	0,20	**4**	0,80
Snack Culture and Urbanization	0,10	**3**	0,30
Distribution Center in the US and other major hubs	0,10	**4**	0,40
Middle Class raising in emerging Countries	0,15	**4**	0,60
Real estate crisis	0,10	**3**	0,30
THREATS			
Local Competitors (firstly Chinese)	0,10	**2**	0,20
Global Competitors	0,10	**2**	0,20
Product cannibalism	0,05	**2**	0,10
Logistic costs increase	0,05	**2**	0,10
Global crisis	0,05	**2**	0,10
TOTAL	**1,00**		**3,1**

ZARA SWOT ANALYSIS

COMPETITIVE STRENGHTS (CS)			
KEY SUCCESS FACTORS	*Weight*	*1 to 4*	*Blended Weight*
STRENGHTS			
Cost Leadership strategy (Standardization)	0,20	4	0,80
Different strategies (Customization, unique competencies)	0,20	3	0,60
Efficient Distribution	0,15	3	0,45
Information High Tech	0,15	4	0,60
Fast delivery of new products, design and trends	0,15	3	0,45
WEAKNESSES			
Centralized Distribution system	0,15	1	0,15
Total	**1,00**		**3,05**

ZARA SWOT ANALYSIS

McKinsey Matrix


INDUSTRY ATTRACTIVENESS
VERY HIGH 4
HIGH 3
MEDIUM 2
LOW 1
X
4 VERY HIGH
3 HIGH
2 MEDIUM
1 LOW
COMPETITIVE STRENGTH

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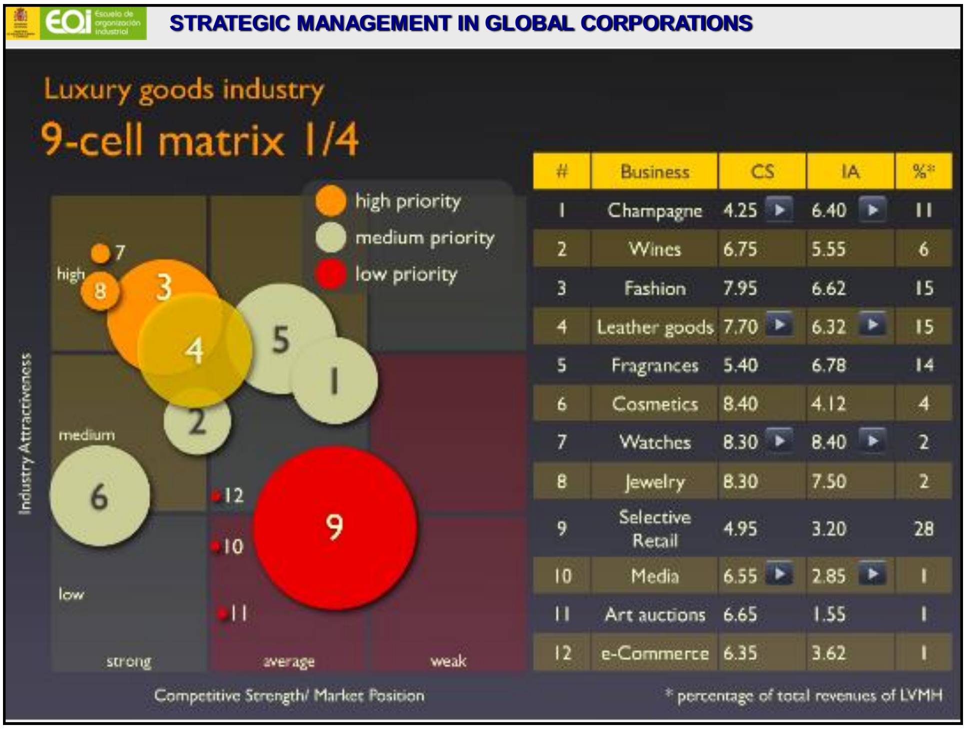
9 CELLS MATRIX

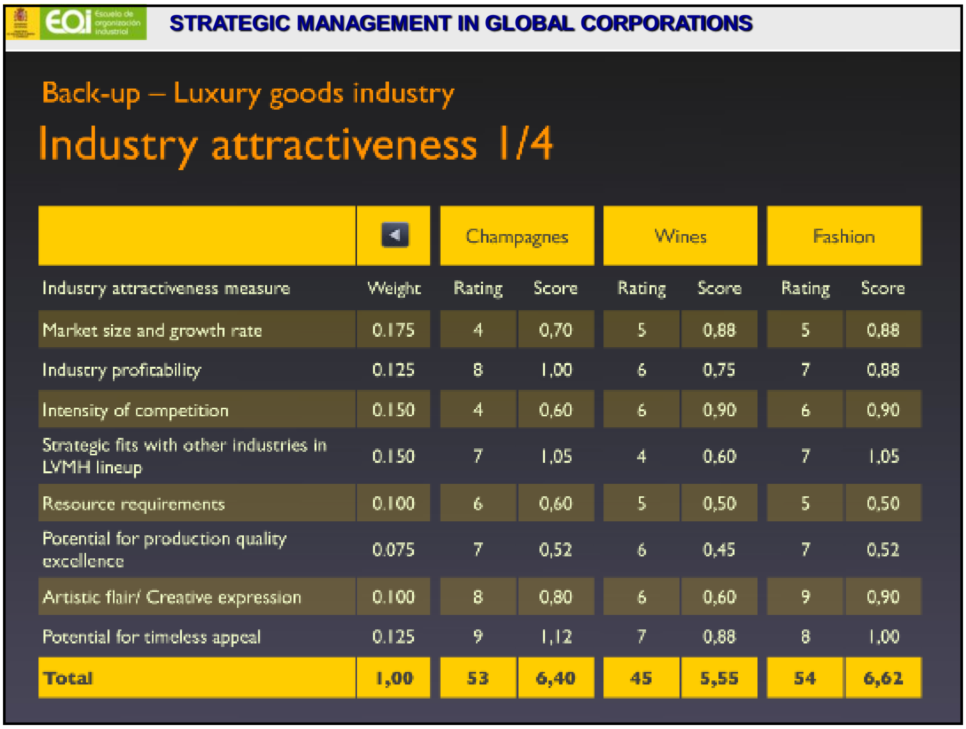


Luxury goods industry

9-cell matrix 1/4

#	Business	CS	IA	%*
1	Champagne	4.25 ▶	6.40 ▶	11
2	Wines	6.75	5.55	6
3	Fashion	7.95	6.62	15
4	Leather goods	7.70 ▶	6.32 ▶	15
5	Fragrances	5.40	6.78	14
6	Cosmetics	8.40	4.12	4
7	Watches	8.30 ▶	8.40 ▶	2
8	Jewelry	8.30	7.50	2
9	Selective Retail	4.95	3.20	28
10	Media	6.55 ▶	2.85 ▶	1
11	Art auctions	6.65	1.55	1
12	e-Commerce	6.35	3.62	1

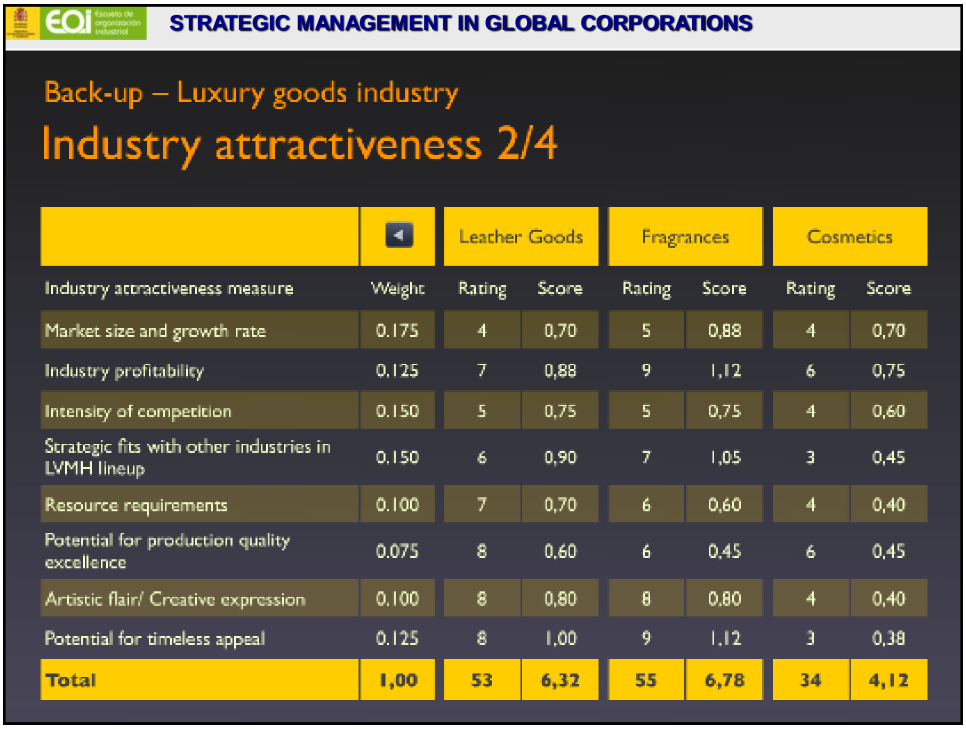
* percentage of total revenues of LVMH



Back-up – Luxury goods industry

Industry attractiveness 1/4

	◀	Champagnes		Wines		Fashion	
Industry attractiveness measure	Weight	Rating	Score	Rating	Score	Rating	Score
Market size and growth rate	0.175	4	0,70	5	0,88	5	0,88
Industry profitability	0.125	8	1,00	6	0,75	7	0,88
Intensity of competition	0.150	4	0,60	6	0,90	6	0,90
Strategic fits with other industries in LVMH lineup	0.150	7	1,05	4	0,60	7	1,05
Resource requirements	0.100	6	0,60	5	0,50	5	0,50
Potential for production quality excellence	0.075	7	0,52	6	0,45	7	0,52
Artistic flair/ Creative expression	0.100	8	0,80	6	0,60	9	0,90
Potential for timeless appeal	0.125	9	1,12	7	0,88	8	1,00
Total	**1,00**	**53**	**6,40**	**45**	**5,55**	**54**	**6,62**

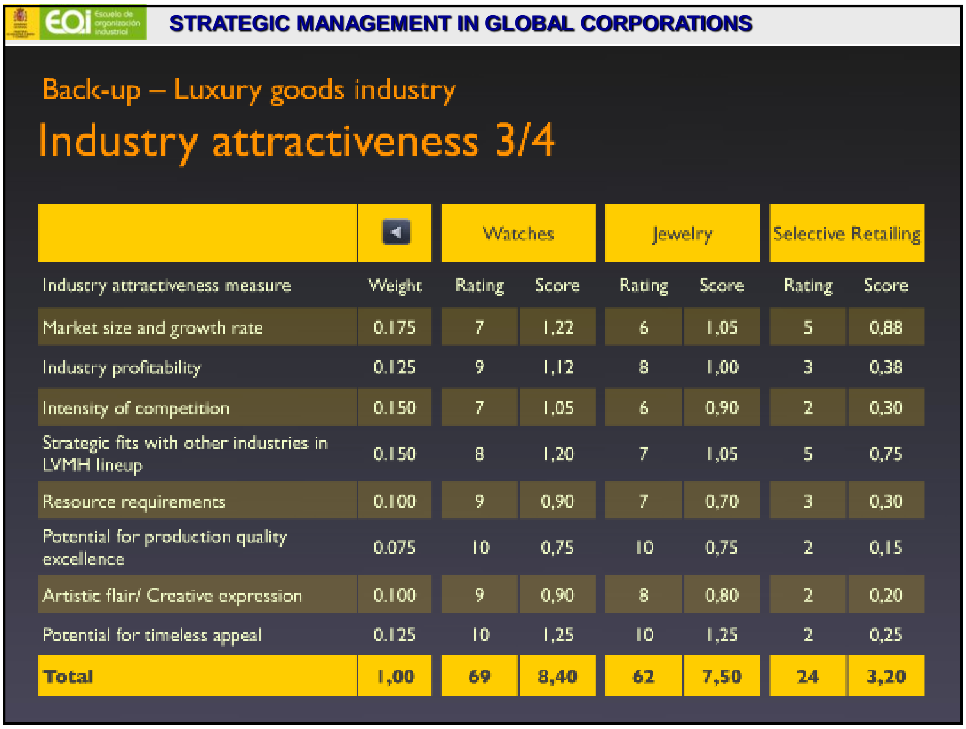


STRATEGIC MANAGEMENT IN GLOBAL CORPORATIONS

Back-up – Luxury goods industry

Industry attractiveness 2/4

	◄	Leather Goods		Fragrances		Cosmetics	
Industry attractiveness measure	Weight	Rating	Score	Rating	Score	Rating	Score
Market size and growth rate	0.175	4	0,70	5	0,88	4	0,70
Industry profitability	0.125	7	0,88	9	1,12	6	0,75
Intensity of competition	0.150	5	0,75	5	0,75	4	0,60
Strategic fits with other industries in LVMH lineup	0.150	6	0,90	7	1,05	3	0,45
Resource requirements	0.100	7	0,70	6	0,60	4	0,40
Potential for production quality excellence	0.075	8	0,60	6	0,45	6	0,45
Artistic flair/ Creative expression	0.100	8	0,80	8	0.80	4	0,40
Potential for timeless appeal	0.125	8	1,00	9	1,12	3	0,38
Total	**1,00**	**53**	**6,32**	**55**	**6,78**	**34**	**4,12**

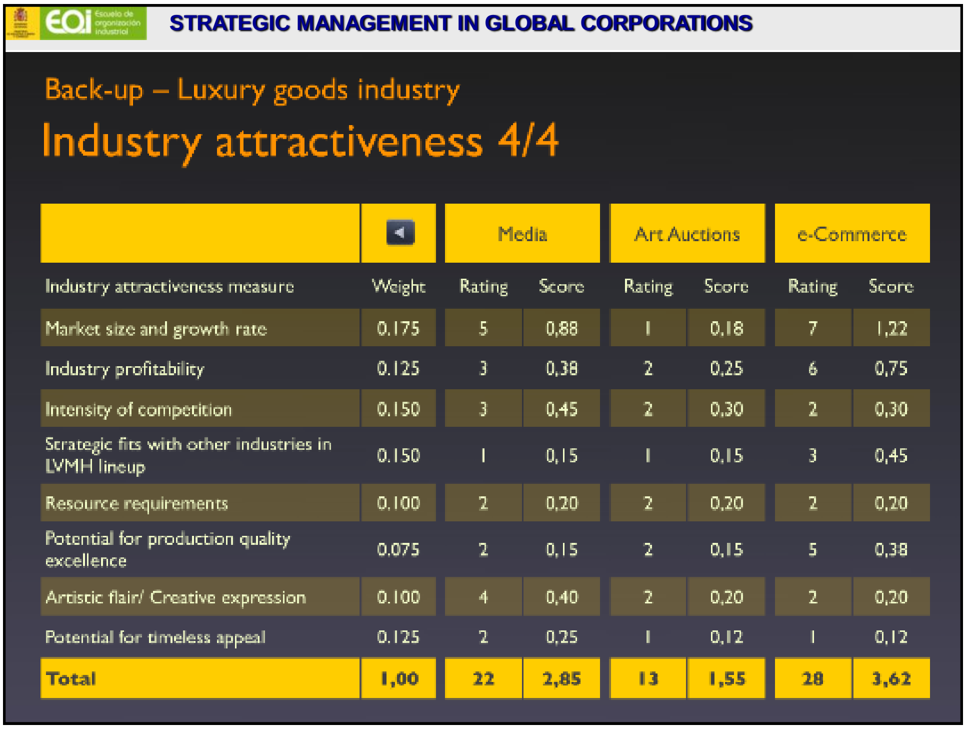


STRATEGIC MANAGEMENT IN GLOBAL CORPORATIONS

Back-up – Luxury goods industry

Industry attractiveness 3/4

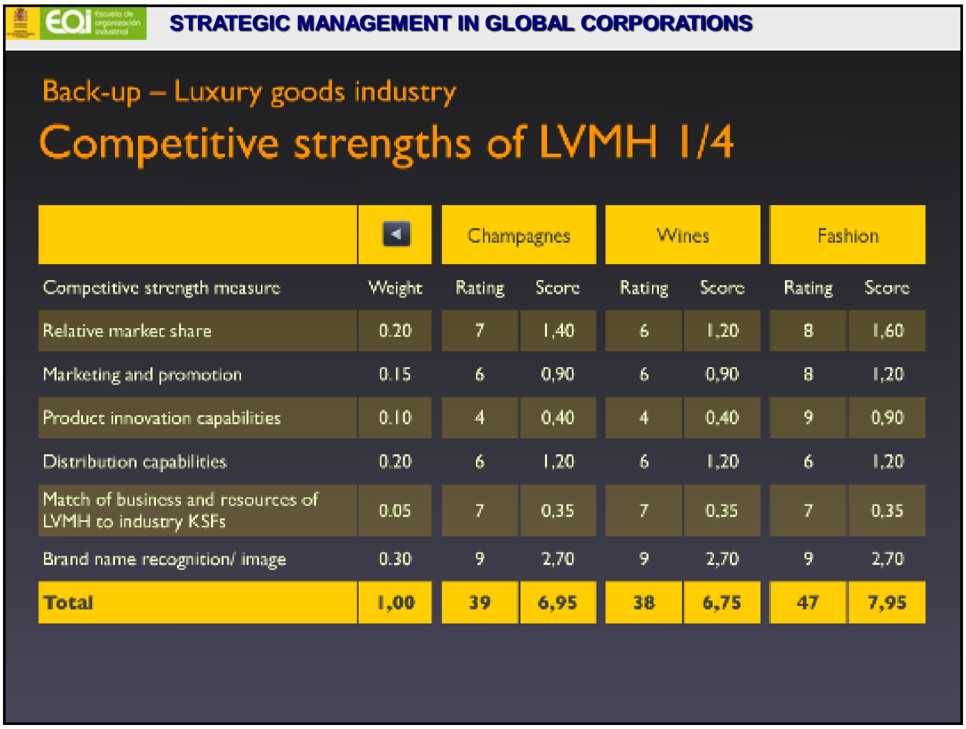
	◄	Watches		Jewelry		Selective Retailing	
Industry attractiveness measure	Weight	Rating	Score	Rating	Score	Rating	Score
Market size and growth rate	0.175	7	1,22	6	1,05	5	0,88
Industry profitability	0.125	9	1,12	8	1,00	3	0,38
Intensity of competition	0.150	7	1,05	6	0,90	2	0,30
Strategic fits with other industries in LVMH lineup	0.150	8	1,20	7	1,05	5	0,75
Resource requirements	0.100	9	0,90	7	0.70	3	0,30
Potential for production quality excellence	0.075	10	0,75	10	0,75	2	0,15
Artistic flair/ Creative expression	0.100	9	0,90	8	0,80	2	0.20
Potential for timeless appeal	0.125	10	1,25	10	1,25	2	0,25
Total	**1,00**	**69**	**8,40**	**62**	**7,50**	**24**	**3,20**



Back-up – Luxury goods industry

Industry attractiveness 4/4

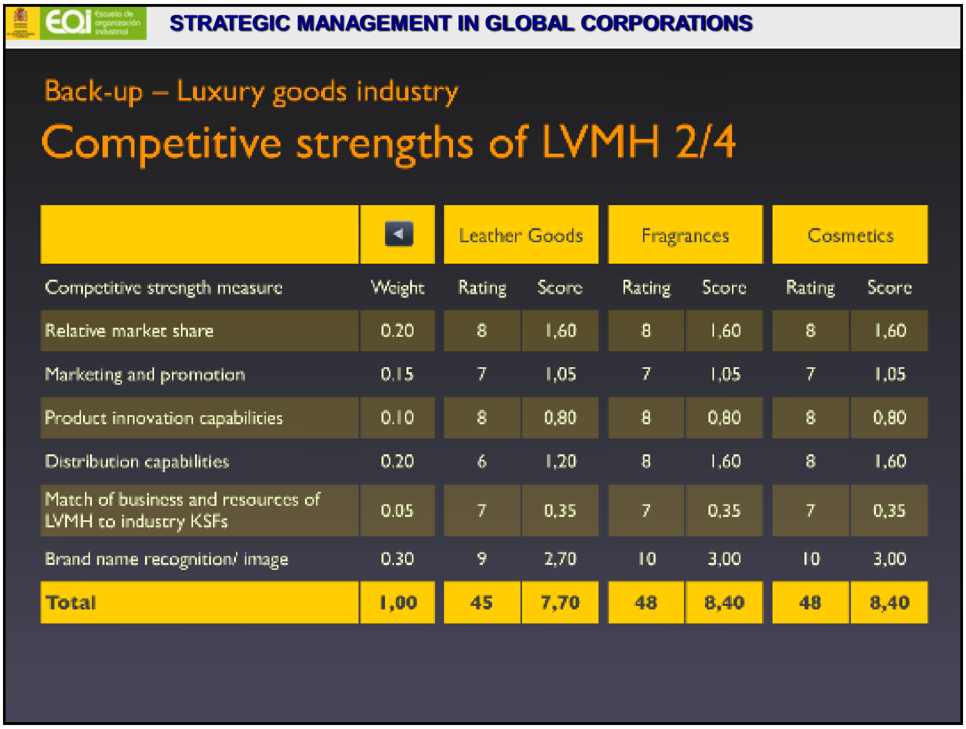
	◄	Media		Art Auctions		e-Commerce	
Industry attractiveness measure	Weight	Rating	Score	Rating	Score	Rating	Score
Market size and growth rate	0.175	5	0,88	1	0,18	7	1,22
Industry profitability	0.125	3	0,38	2	0,25	6	0,75
Intensity of competition	0.150	3	0,45	2	0,30	2	0,30
Strategic fits with other industries in LVMH lineup	0.150	1	0,15	1	0,15	3	0,45
Resource requirements	0.100	2	0,20	2	0,20	2	0,20
Potential for production quality excellence	0.075	2	0,15	2	0,15	5	0,38
Artistic flair/ Creative expression	0.100	4	0,40	2	0,20	2	0,20
Potential for timeless appeal	0.125	2	0,25	1	0,12	1	0,12
Total	**1,00**	**22**	**2,85**	**13**	**1,55**	**28**	**3,62**



Back-up – Luxury goods industry

Competitive strengths of LVMH 1/4

	◄	Champagnes		Wines		Fashion	
Competitive strength measure	Weight	Rating	Score	Rating	Score	Rating	Score
Relative market share	0.20	7	1,40	6	1,20	8	1,60
Marketing and promotion	0.15	6	0,90	6	0,90	8	1,20
Product innovation capabilities	0.10	4	0,40	4	0,40	9	0,90
Distribution capabilities	0.20	6	1,20	6	1,20	6	1,20
Match of business and resources of LVMH to industry KSFs	0.05	7	0,35	7	0,35	7	0,35
Brand name recognition/ image	0.30	9	2,70	9	2,70	9	2,70
Total	**1,00**	**39**	**6,95**	**38**	**6,75**	**47**	**7,95**

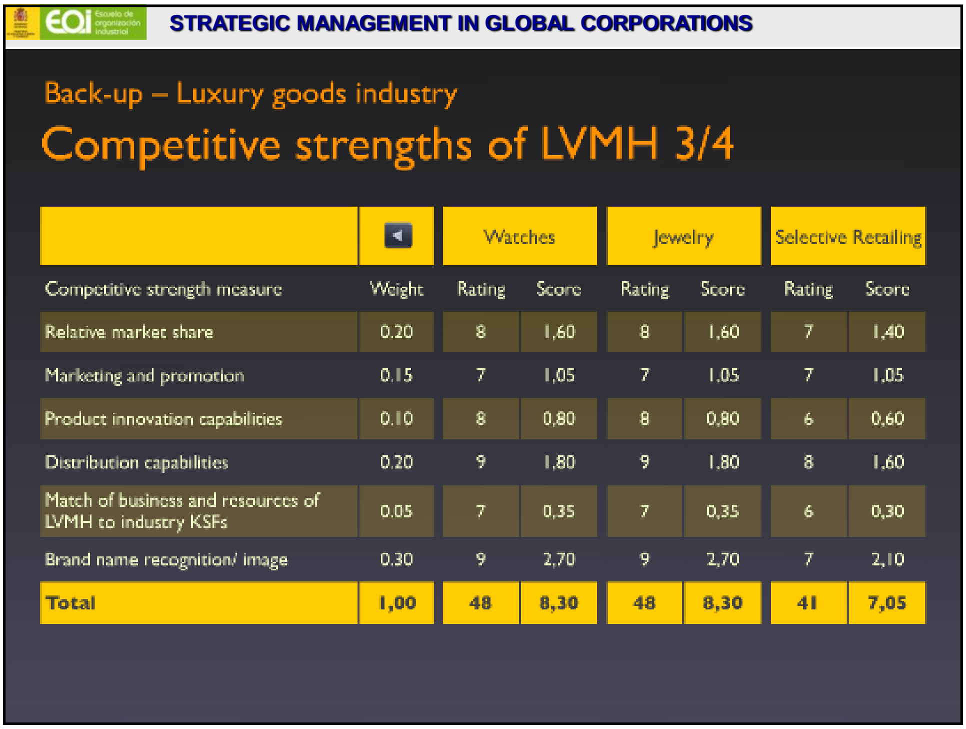


STRATEGIC MANAGEMENT IN GLOBAL CORPORATIONS

Back-up – Luxury goods industry

Competitive strengths of LVMH 2/4

	◄	Leather Goods		Fragrances		Cosmetics	
Competitive strength measure	Weight	Rating	Score	Rating	Score	Rating	Score
Relative market share	0.20	8	1,60	8	1,60	8	1,60
Marketing and promotion	0.15	7	1,05	7	1,05	7	1,05
Product innovation capabilities	0.10	8	0,80	8	0,80	8	0,80
Distribution capabilities	0.20	6	1,20	8	1,60	8	1,60
Match of business and resources of LVMH to industry KSFs	0.05	7	0,35	7	0,35	7	0,35
Brand name recognition/ image	0.30	9	2,70	10	3,00	10	3,00
Total	**1,00**	**45**	**7,70**	**48**	**8,40**	**48**	**8,40**

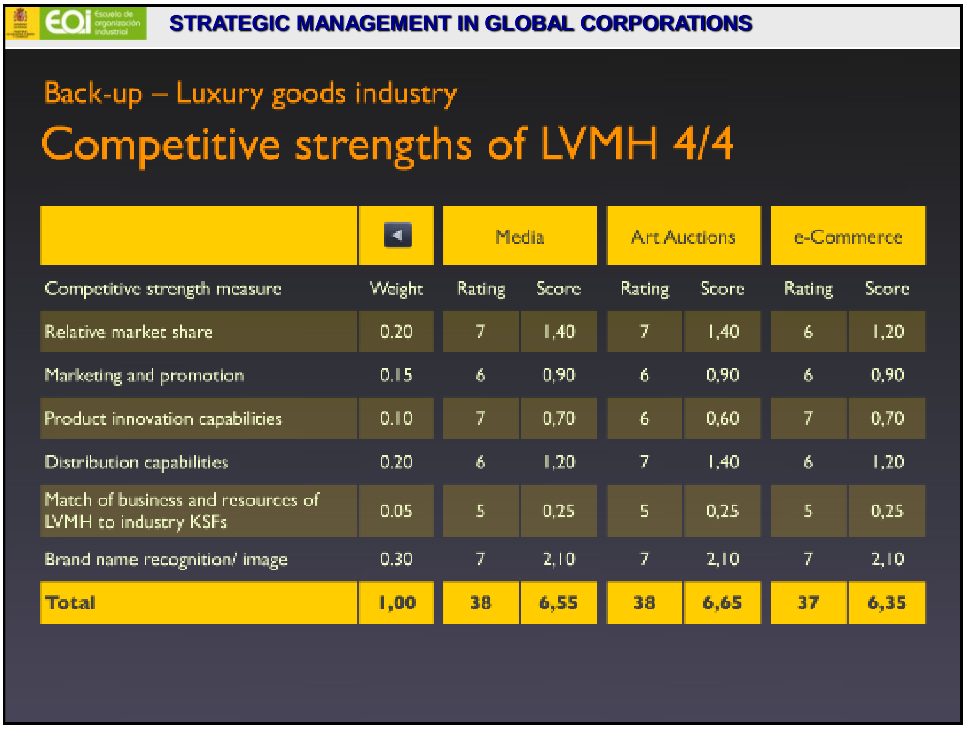


STRATEGIC MANAGEMENT IN GLOBAL CORPORATIONS

Back-up – Luxury goods industry

Competitive strengths of LVMH 3/4

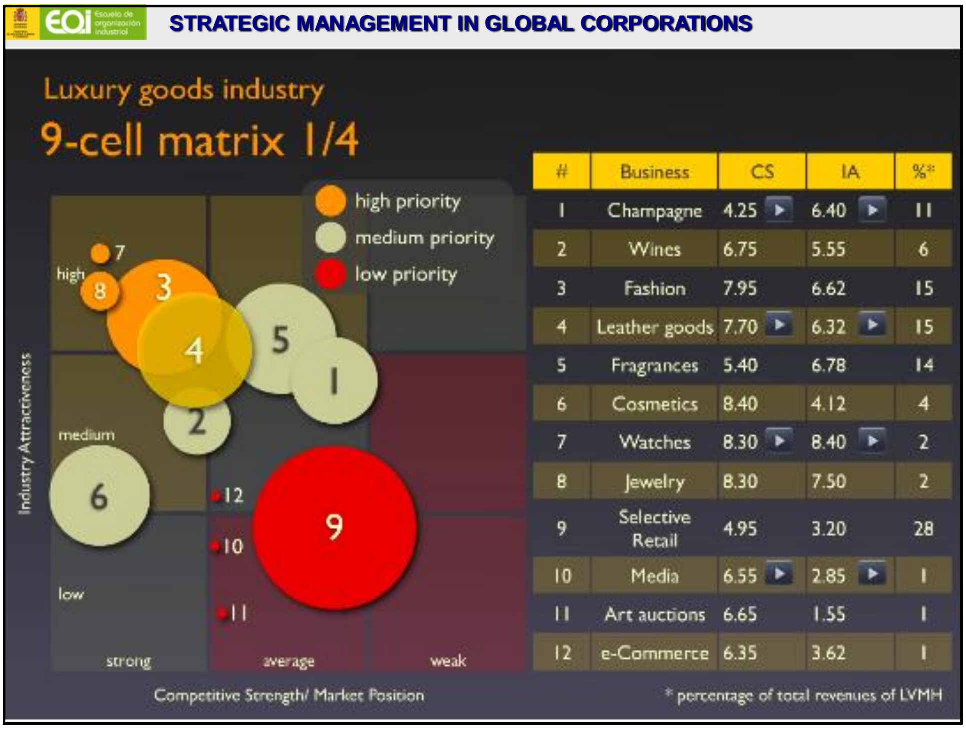
	◄	Watches		Jewelry		Selective Retailing	
Competitive strength measure	Weight	Rating	Score	Rating	Score	Rating	Score
Relative market share	0.20	8	1,60	8	1,60	7	1,40
Marketing and promotion	0.15	7	1,05	7	1,05	7	1,05
Product innovation capabilities	0.10	8	0,80	8	0,80	6	0,60
Distribution capabilities	0.20	9	1,80	9	1,80	8	1,60
Match of business and resources of LVMH to industry KSFs	0.05	7	0,35	7	0,35	6	0,30
Brand name recognition/ image	0.30	9	2,70	9	2,70	7	2,10
Total	**1,00**	**48**	**8,30**	**48**	**8,30**	**41**	**7,05**



Back-up – Luxury goods industry

Competitive strengths of LVMH 4/4

	◀	Media		Art Auctions		e-Commerce	
Competitive strength measure	Weight	Rating	Score	Rating	Score	Rating	Score
Relative market share	0.20	7	1,40	7	1,40	6	1,20
Marketing and promotion	0.15	6	0,90	6	0,90	6	0,90
Product innovation capabilities	0.10	7	0,70	6	0,60	7	0,70
Distribution capabilities	0.20	6	1,20	7	1,40	6	1,20
Match of business and resources of LVMH to industry KSFs	0.05	5	0,25	5	0,25	5	0,25
Brand name recognition/ image	0.30	7	2,10	7	2,10	7	2,10
Total	**1,00**	**38**	**6,55**	**38**	**6,65**	**37**	**6,35**



Luxury goods industry

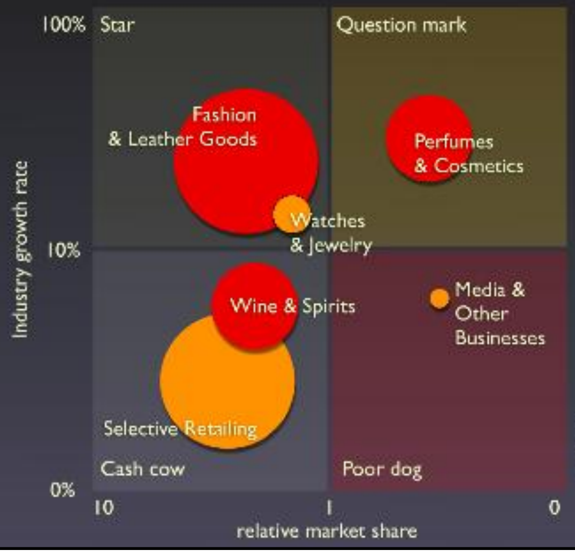
9-cell matrix 1/4

#	Business	CS	IA	%*
1	Champagne	4.25 ▶	6.40 ▶	11
2	Wines	6.75	5.55	6
3	Fashion	7.95	6.62	15
4	Leather goods	7.70 ▶	6.32 ▶	15
5	Fragrances	5.40	6.78	14
6	Cosmetics	8.40	4.12	4
7	Watches	8.30 ▶	8.40 ▶	2
8	Jewelry	8.30	7.50	2
9	Selective Retail	4.95	3.20	28
10	Media	6.55 ▶	2.85 ▶	1
11	Art auctions	6.65	1.55	1
12	e-Commerce	6.35	3.62	1

* percentage of total revenues of LVMH

Portfolio of LVMH

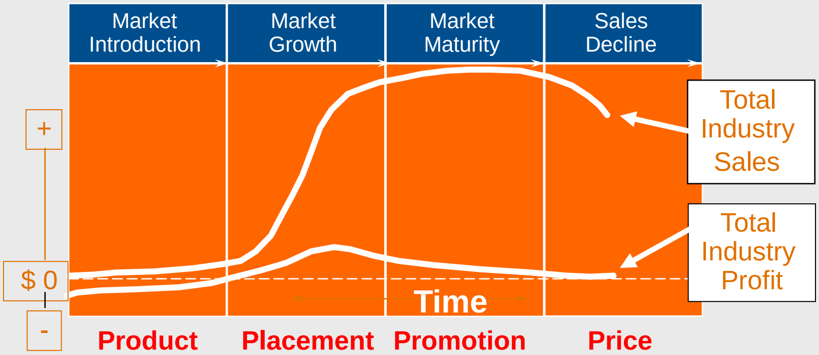
Resource fit 1/2 – BCG Matrix



Bubble sizes represent percentage of total revenues of LVMH

ONE PAGE PLAN

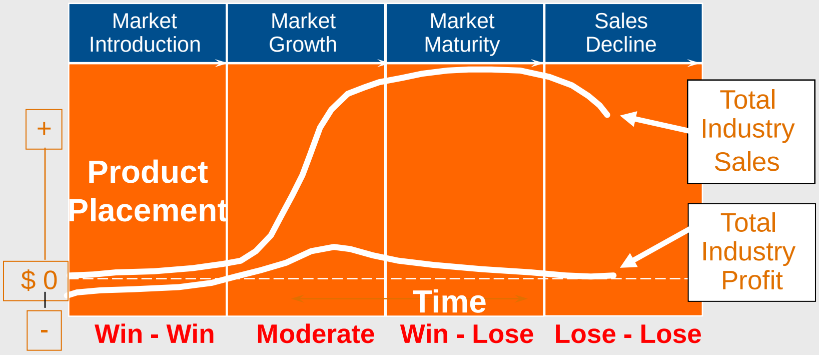
Product Life-Cycle: **Strategic Leverage**



Market Introduction	Market Growth	Market Maturity	Sales Decline
Product	**Placement**	**Promotion**	**Price**
Placement	**Promotion**	**Placement**	**Price**
		Price	**Price**

Leverage = M(aneuver) x R(eturn)

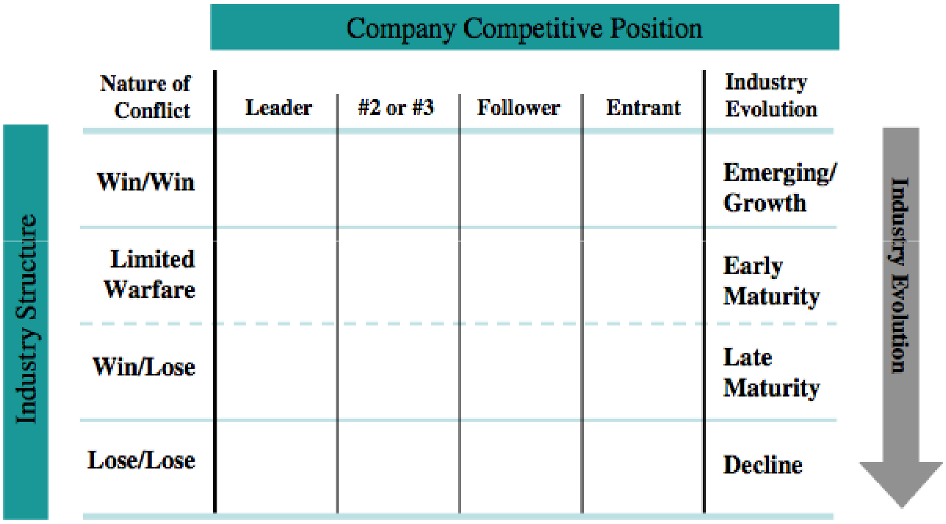
Product life-cycle: **Rivalry**



Market Introduction	Market Growth	Market Maturity	Sales Decline
Win - Win	**Moderate**	**Win - Lose**	**Lose - Lose**

Rivalry

Formulating Strategy


Company Competitive Position

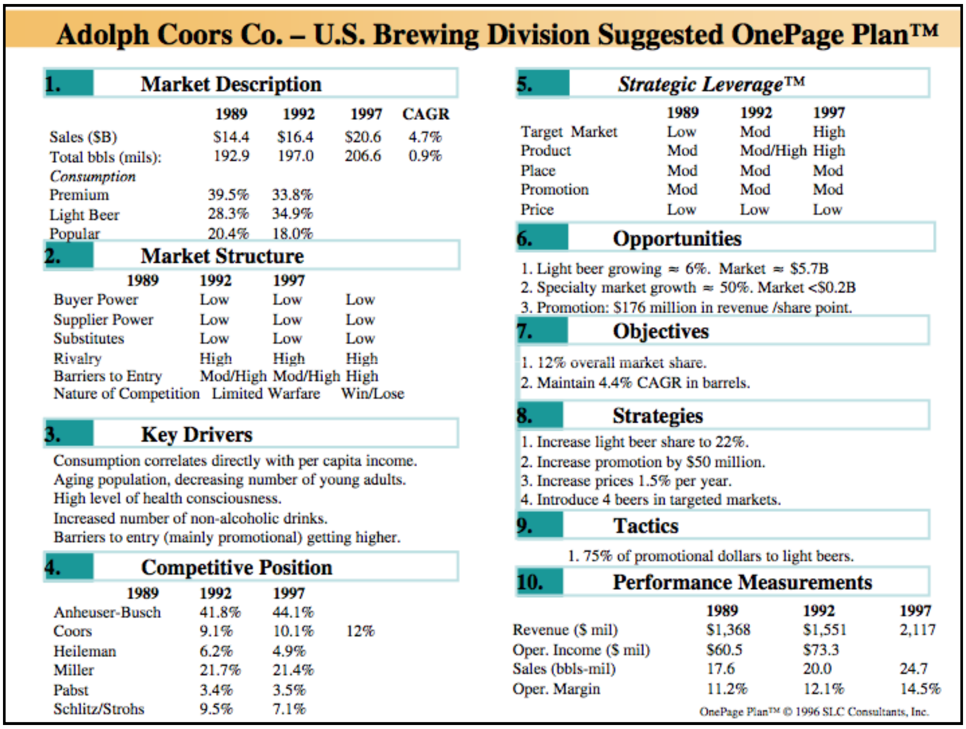
Industry Structure

Nature of Conflict	Leader	#2 or #3	Follower	Entrant	Industry Evolution
Win/Win					Emerging/ Growth
Limited Warfare					Early Maturity
Win/Lose					Late Maturity
Lose/Lose					Decline

OnePage Plan(OPP™)

OnePage Plan™

1. Market Description
2. Market Structure
3. Key Drivers
4. Competitive Position
5. Leverage
6. Opportunities
7. Objectives
8. Strategies
9. Tactics
10. Performance Measures



Adolph Coors Co. – U.S. Brewing Division Suggested OnePage Plan™

1. Market Description

	1989	1992	1997	CAGR
Sales ($B)	$14.4	$16.4	$20.6	4.7%
Total bbls (mils):	192.9	197.0	206.6	0.9%
Consumption				
Premium	39.5%	33.8%		
Light Beer	28.3%	34.9%		
Popular	20.4%	18.0%		

2. Market Structure

	1989	1992	1997
Buyer Power	Low	Low	Low
Supplier Power	Low	Low	Low
Substitutes	Low	Low	Low
Rivalry	High	High	High
Barriers to Entry	Mod/High	Mod/High	High
Nature of Competition	Limited Warfare		Win/Lose

3. Key Drivers

Consumption correlates directly with per capita income.
Aging population, decreasing number of young adults.
High level of health consciousness.
Increased number of non-alcoholic drinks.
Barriers to entry (mainly promotional) getting higher.

4. Competitive Position

	1989	1992	1997
Anheuser-Busch	41.8%	44.1%	
Coors	9.1%	10.1%	12%
Heileman	6.2%	4.9%	
Miller	21.7%	21.4%	
Pabst	3.4%	3.5%	
Schlitz/Strohs	9.5%	7.1%	

5. *Strategic Leverage™*

	1989	1992	1997
Target Market	Low	Mod	High
Product	Mod	Mod/High	High
Place	Mod	Mod	Mod
Promotion	Mod	Mod	Mod
Price	Low	Low	Low

6. Opportunities

1. Light beer growing ≈ 6%. Market ≈ $5.7B
2. Specialty market growth ≈ 50%. Market <$0.2B
3. Promotion: $176 million in revenue /share point.

7. Objectives

1. 12% overall market share.
2. Maintain 4.4% CAGR in barrels.

8. Strategies

1. Increase light beer share to 22%.
2. Increase promotion by $50 million.
3. Increase prices 1.5% per year.
4. Introduce 4 beers in targeted markets.

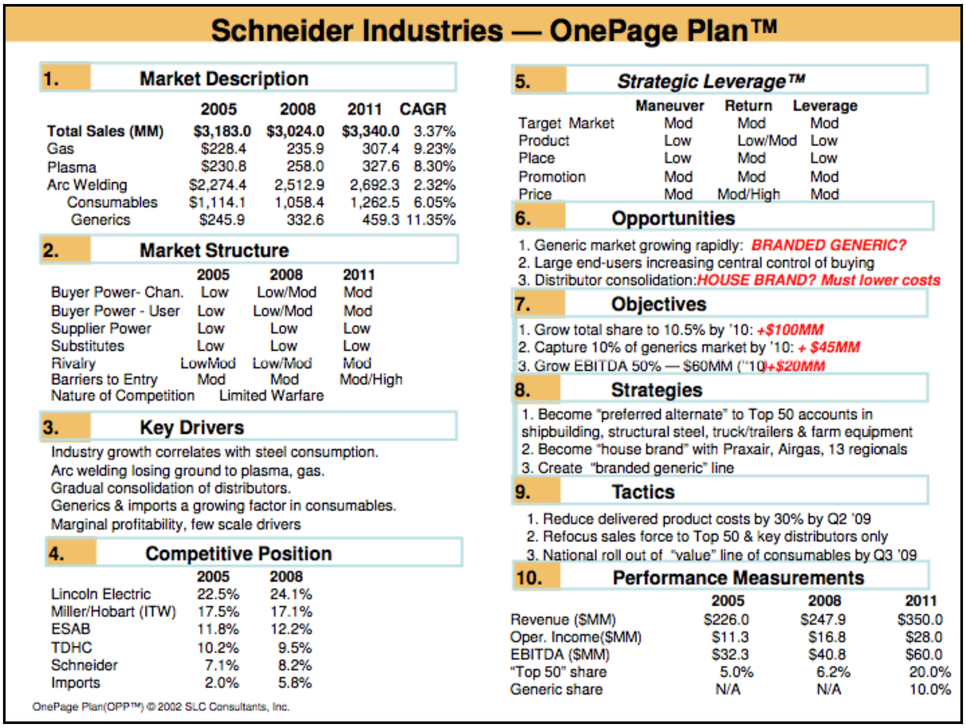
9. Tactics

1. 75% of promotional dollars to light beers.

10. Performance Measurements

	1989	1992	1997
Revenue ($ mil)	$1,368	$1,551	2,117
Oper. Income ($ mil)	$60.5	$73.3	
Sales (bbls-mil)	17.6	20.0	24.7
Oper. Margin	11.2%	12.1%	14.5%

OnePage Plan™ © 1996 SLC Consultants, Inc.



Schneider Industries — OnePage Plan™

1. Market Description

	2005	2008	2011	CAGR
Total Sales (MM)	**$3,183.0**	**$3,024.0**	**$3,340.0**	3.37%
Gas	$228.4	235.9	307.4	9.23%
Plasma	$230.8	258.0	327.6	8.30%
Arc Welding	$2,274.4	2,512.9	2,692.3	2.32%
Consumables	$1,114.1	1,058.4	1,262.5	6.05%
Generics	$245.9	332.6	459.3	11.35%

2. Market Structure

	2005	2008	2011
Buyer Power- Chan.	Low	Low/Mod	Mod
Buyer Power - User	Low	Low/Mod	Mod
Supplier Power	Low	Low	Low
Substitutes	Low	Low	Low
Rivalry	LowMod	Low/Mod	Mod
Barriers to Entry	Mod	Mod	Mod/High
Nature of Competition	Limited Warfare		

3. Key Drivers

Industry growth correlates with steel consumption.
Arc welding losing ground to plasma, gas.
Gradual consolidation of distributors.
Generics & imports a growing factor in consumables.
Marginal profitability, few scale drivers

4. Competitive Position

	2005	2008
Lincoln Electric	22.5%	24.1%
Miller/Hobart (ITW)	17.5%	17.1%
ESAB	11.8%	12.2%
TDHC	10.2%	9.5%
Schneider	7.1%	8.2%
Imports	2.0%	5.8%

OnePage Plan(OPP™) © 2002 SLC Consultants, Inc.

5. *Strategic Leverage™*

	Maneuver	Return	Leverage
Target Market	Mod	Mod	Mod
Product	Low	Low/Mod	Low
Place	Low	Mod	Low
Promotion	Mod	Mod	Mod
Price	Mod	Mod/High	Mod

6. Opportunities

1. Generic market growing rapidly: ***BRANDED GENERIC?***
2. Large end-users increasing central control of buying
3. Distributor consolidation:***HOUSE BRAND? Must lower costs***

7. Objectives

1. Grow total share to 10.5% by '10: ***+$100MM***
2. Capture 10% of generics market by '10: ***+ $45MM***
3. Grow EBITDA 50% — $60MM (''10)***+$20MM***

8. Strategies

1. Become "preferred alternate" to Top 50 accounts in shipbuilding, structural steel, truck/trailers & farm equipment
2. Become "house brand" with Praxair, Airgas, 13 regionals
3. Create "branded generic" line

9. Tactics

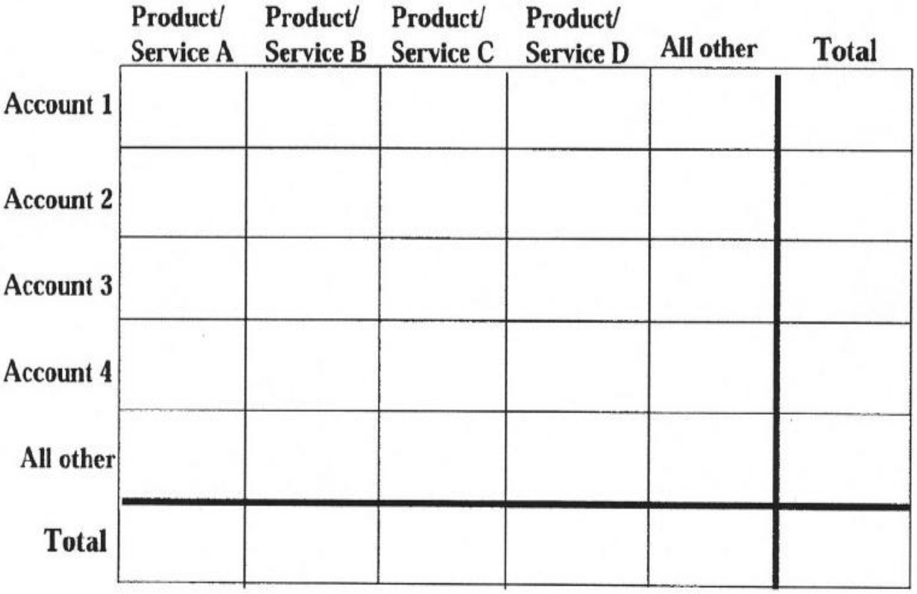
1. Reduce delivered product costs by 30% by Q2 '09
2. Refocus sales force to Top 50 & key distributors only
3. National roll out of "value" line of consumables by Q3 '09

10. Performance Measurements

	2005	2008	2011
Revenue ($MM)	$226.0	$247.9	$350.0
Oper. Income($MM)	$11.3	$16.8	$28.0
EBITDA ($MM)	$32.3	$40.8	$60.0
"Top 50" share	5.0%	6.2%	20.0%
Generic share	N/A	N/A	10.0%

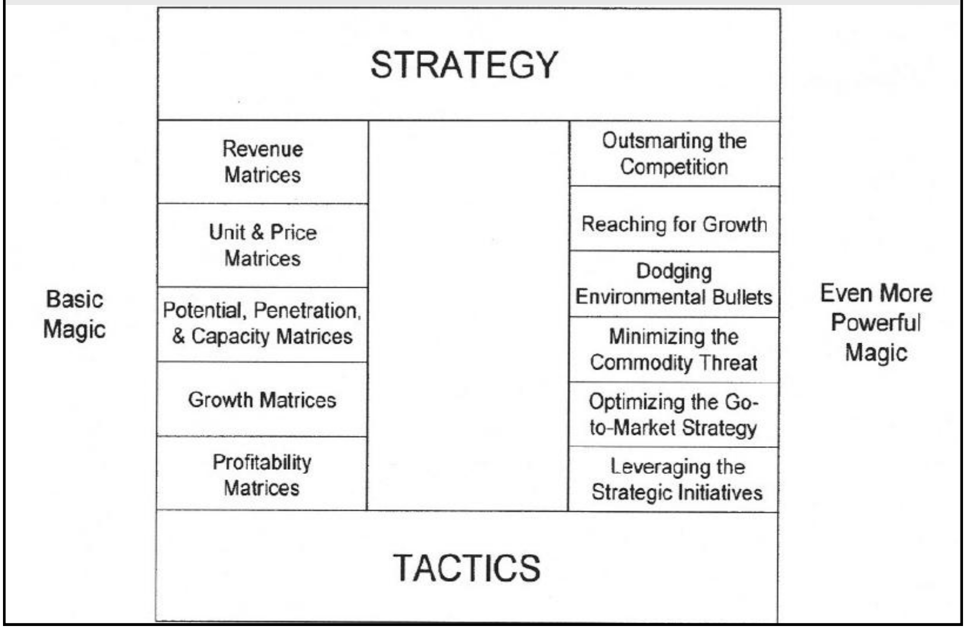
MAGIC MATRIX

The Magic Matrix REVENUE



	Product/ Service A	Product/ Service B	Product/ Service C	Product/ Service D	All other	Total
Account 1						
Account 2						
Account 3						
Account 4						
All other						
Total						

The Magic Matrix: Bridging the gap



STRATEGY

Basic Magic

- Revenue Matrices
- Unit & Price Matrices
- Potential, Penetration, & Capacity Matrices
- Growth Matrices
- Profitability Matrices

Even More Powerful Magic

- Outsmarting the Competition
- Reaching for Growth
- Dodging Environmental Bullets
- Minimizing the Commodity Threat
- Optimizing the Go-to-Market Strategy
- Leveraging the Strategic Initiatives

TACTICS

MARKETING DASHBOARD

PEYA MATRIX

Matriz de Posición Estratégica y Evaluación de Acción

La Matriz de Posición Estratégica y Evaluación de la Acción (PEYEA) es un instrumento de diagnostico del negocio en base a:

- Fortalezas de la Industria (FI)
- Estabilidad del Negocio (EN)
- Fortalezas Financieras (FF)
- Ventajas Competitivas (VC)

Permite determinar cuál es la mejor estrategia que debe asumir la alta gerencia para generar el mejor retorno.

La Matriz PEYEA ofrece 4 posicionamientos claros que se definen a partir de las 2 dimensiones externas (FI y EN) y las 2 Fuerzas Internas (FF y VC).

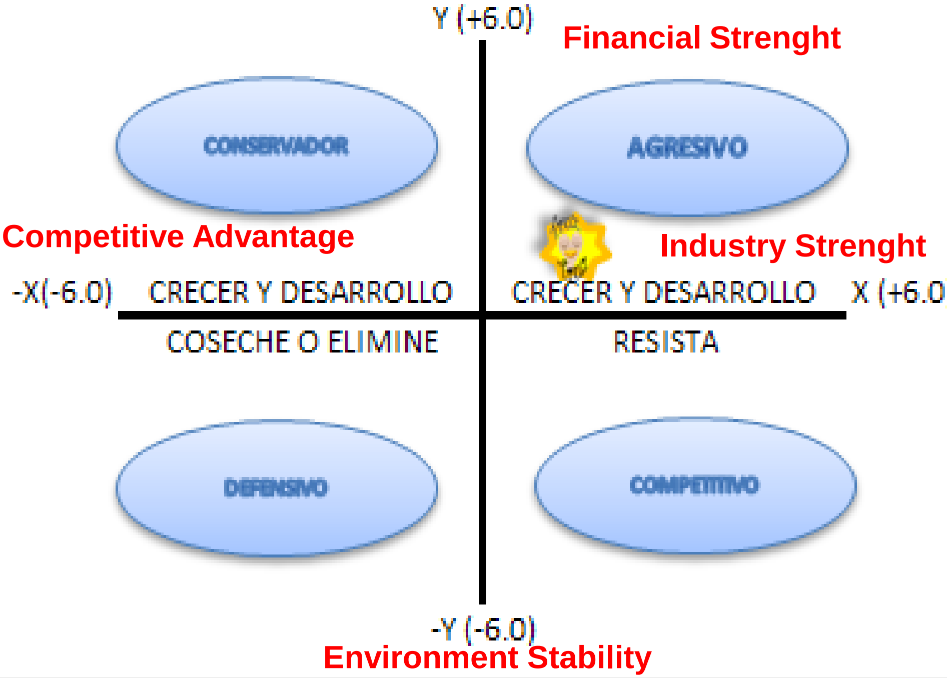
H. Rowe, R. Mason y K. Dickel, Strategic Management and Business Policy. A Metodological Aproach

Matriz de Posición Estratégica y Evaluación de la Acción (PEYEA)

	FORTALEZAS FINANCIERAS		ESTABILIDAD DEL AMBIENTE (Valor Neg)	
EJE "Y"	APALANCAMIENTO	3	INFLACION	-4
	FLUJO DE CAJA	6	ESTABILIDAD DEMANDA	-3
	ROT. DE INVENTARIOS	3	CARTERIZACION	-1
	RET. DE INVERSION	3	CALIDAD COMPETENCIA	-1
	MEDIA	3,75	MEDIA	-2,25
	TOTAL EJE "Y"	1,50		

	VENTAJAS COMPETITIVAS (Valor Neg)		FORTALEZAS DE LA INDUSTRIA	
EJE "X"	CALIDAD DEL PRODUCTO	-1	CRECIMIENTO DEL MERCADO	6
	SHARE DEL MERCADO	-6	POTENCIAL DE UTILIDAD	6
	EFECTIVIDAD DE PROCESOS	-2	CONOC. TECNOLOGICOS	4
	CONTROL DE CANALES	-3	UTIL. RRHH	2
	MEDIA	-3,00	MEDIA	4,50
	TOTAL EJE "X"	1,50		

Matriz Posición Estratégica y Evaluación de la Acción (PEYEA)



Y (+6.0)

Financial Strenght

CONSERVADOR

AGRESIVO

Competitive Advantage

Industry Strenght

-X(-6.0) CRECER Y DESARROLLO

CRECER Y DESARROLLO X (+6.0

COSECHE O ELIMINE

RESISTA

DEFENSIVO

COMPETITIVO

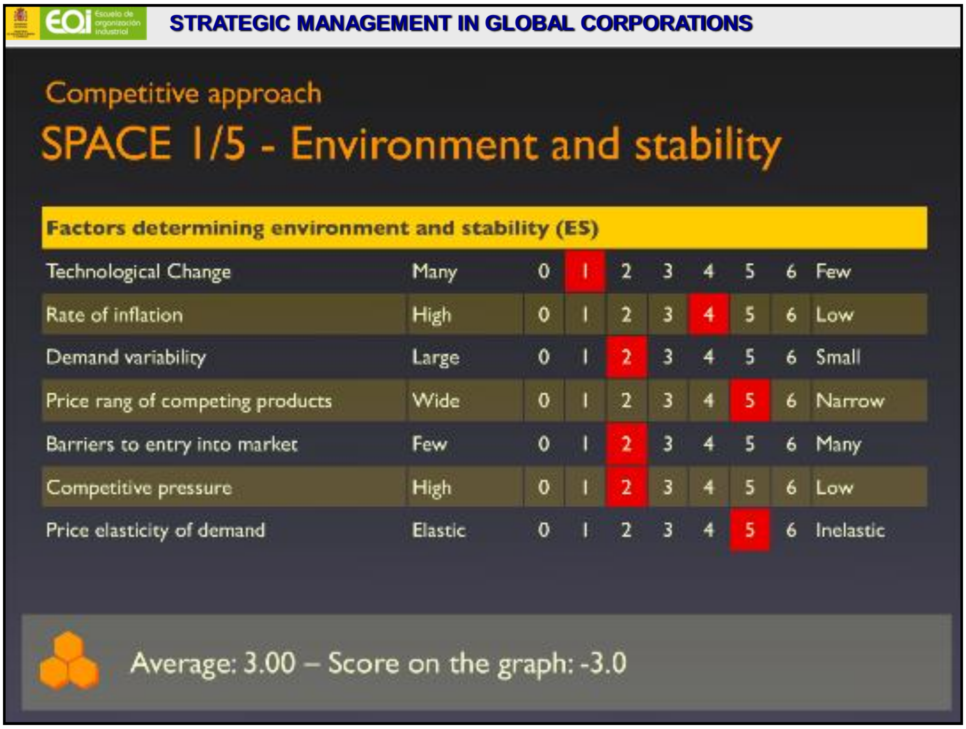
-Y (-6.0)

Environment Stability

Matriz de Posición Estratégica y Evaluación de Acción

- Estrategia Agresiva ***(cuadrante superior derecho):*** **La organización está en magnifica posición para utilizar sus fuerzas internas para aprovechar las oportunidades externas, superar las debilidades internas y evitar las amenazas externas.**
- Estrategia Conservadora ***(cuadrante superior izquierdo):*** **La organización debe concentrarse en las competencias básicas del negocio y no correr demasiados riesgos.**
- Estrategia Defensiva ***(cuadrante inferior izquierdo):*** **Se debe concentrar en superar las debilidades internas y en evitar las amenazas externas. Entre las estrategias defensivas están:** atrincheramiento, desinversión o la liquidación**.**
- Estrategia Competitiva ***(cuadrante inferior derecho):***
    - ***Integración Vertical hacia delante o hacia atrás.***
    - ***Integración Horizontal***
    - ***Penetración y Desarrollo del Mercado***
    - ***Desarrollo de Nuevos Productos.***

SPACE FIGURE

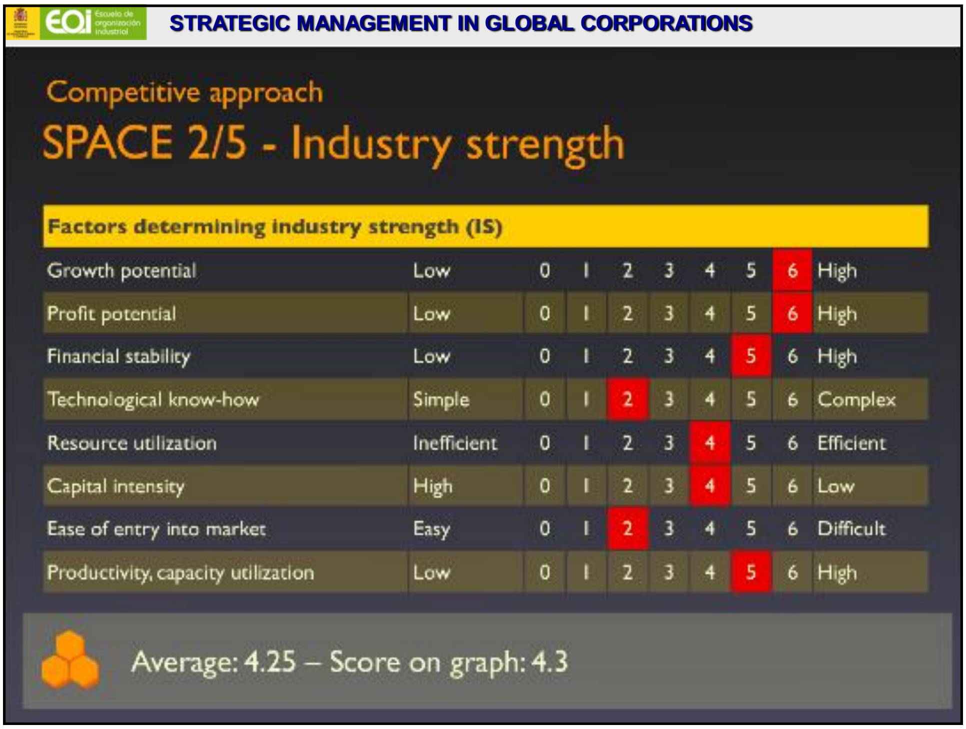


Competitive approach

SPACE 1/5 - Environment and stability

Factors determining environment and stability (ES)									
Technological Change	Many	0	[✓ 1]	2	3	4	5	6	Few
Rate of inflation	High	0	1	2	3	[✓ 4]	5	6	Low
Demand variability	Large	0	1	[✓ 2]	3	4	5	6	Small
Price rang of competing products	Wide	0	1	2	3	4	[✓ 5]	6	Narrow
Barriers to entry into market	Few	0	1	[✓ 2]	3	4	5	6	Many
Competitive pressure	High	0	1	[✓ 2]	3	4	5	6	Low
Price elasticity of demand	Elastic	0	1	2	3	4	[✓ 5]	6	Inelastic

Average: 3.00 – Score on the graph: -3.0

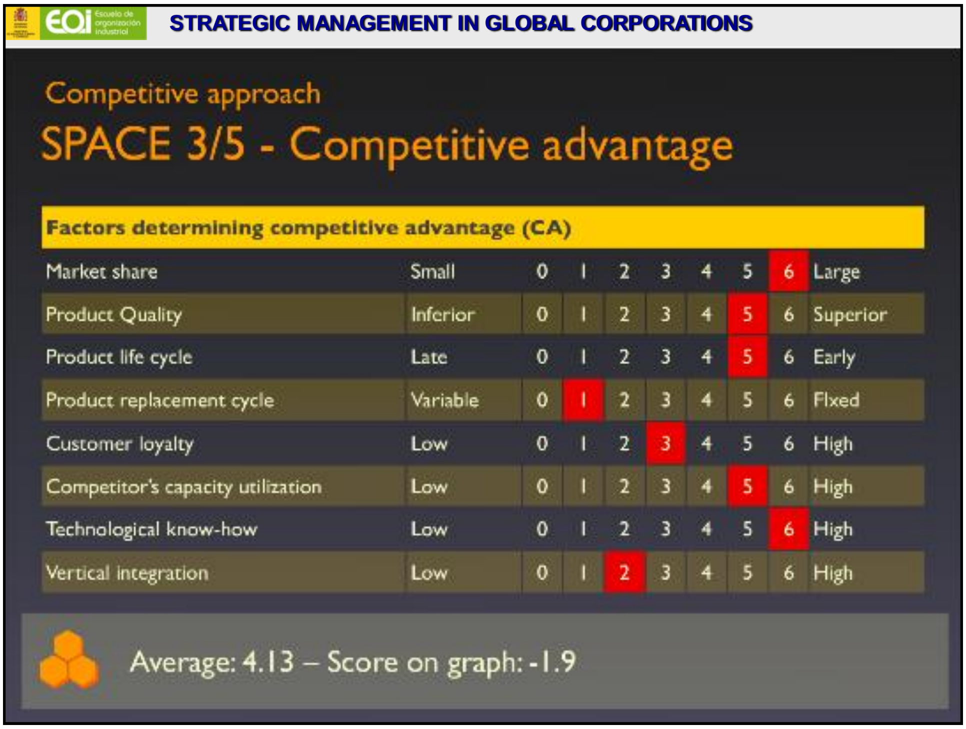


Competitive approach

SPACE 2/5 - Industry strength

Factors determining industry strength (IS)									
Growth potential	Low	0	1	2	3	4	5	[✓ 6]	High
Profit potential	Low	0	1	2	3	4	5	[✓ 6]	High
Financial stability	Low	0	1	2	3	4	[✓ 5]	6	High
Technological know-how	Simple	0	1	[✓ 2]	3	4	5	6	Complex
Resource utilization	Inefficient	0	1	2	3	[✓ 4]	5	6	Efficient
Capital intensity	High	0	1	2	3	[✓ 4]	5	6	Low
Ease of entry into market	Easy	0	1	[✓ 2]	3	4	5	6	Difficult
Productivity, capacity utilization	Low	0	1	2	3	4	[✓ 5]	6	High

Average: 4.25 – Score on graph: 4.3



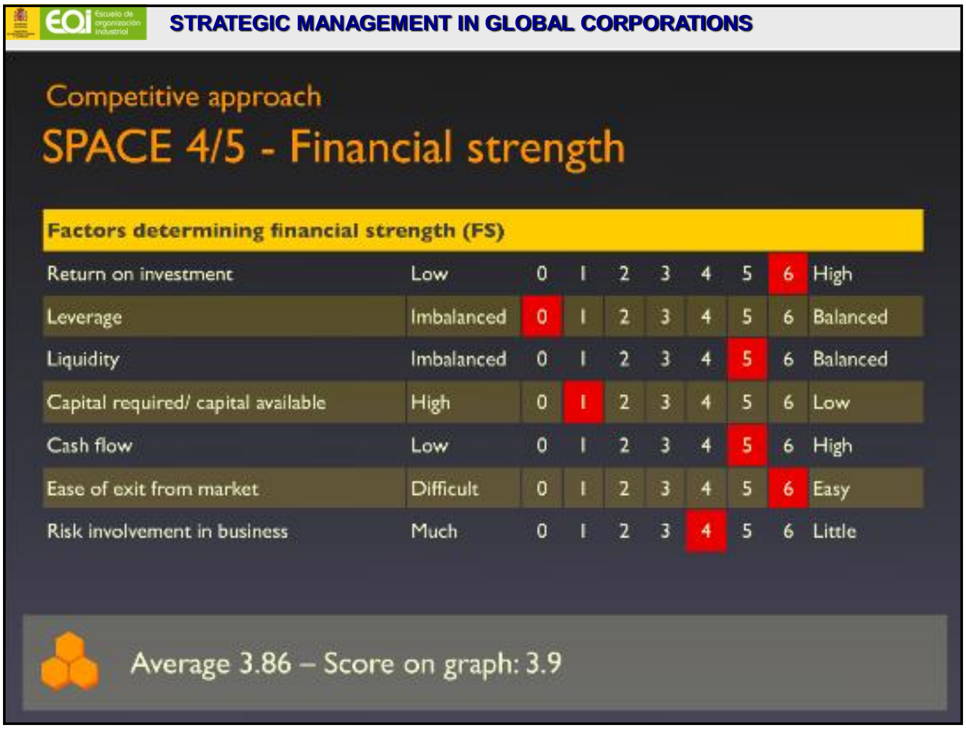
STRATEGIC MANAGEMENT IN GLOBAL CORPORATIONS

Competitive approach

SPACE 3/5 - Competitive advantage

Factors determining competitive advantage (CA)									
Market share	Small	0	1	2	3	4	5	[✓ 6]	Large
Product Quality	Inferior	0	1	2	3	4	[✓ 5]	6	Superior
Product life cycle	Late	0	1	2	3	4	[✓ 5]	6	Early
Product replacement cycle	Variable	0	[✓ 1]	2	3	4	5	6	Fixed
Customer loyalty	Low	0	1	2	[✓ 3]	4	5	6	High
Competitor's capacity utilization	Low	0	1	2	3	4	[✓ 5]	6	High
Technological know-how	Low	0	1	2	3	4	5	[✓ 6]	High
Vertical integration	Low	0	1	[✓ 2]	3	4	5	6	High

Average: 4.13 – Score on graph: -1.9



STRATEGIC MANAGEMENT IN GLOBAL CORPORATIONS

Competitive approach

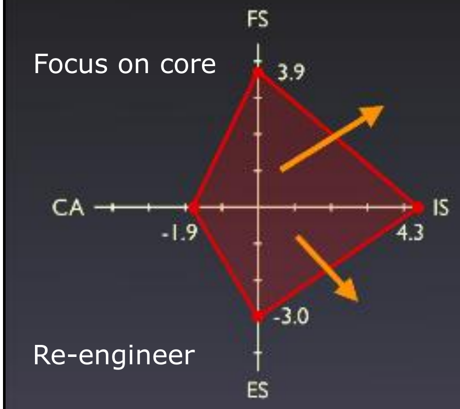
SPACE 4/5 - Financial strength

Factors determining financial strength (FS)									
Return on investment	Low	0	1	2	3	4	5	[✓ 6]	High
Leverage	Imbalanced	[✓ 0]	1	2	3	4	5	6	Balanced
Liquidity	Imbalanced	0	1	2	3	4	[✓ 5]	6	Balanced
Capital required/ capital available	High	0	[✓ 1]	2	3	4	5	6	Low
Cash flow	Low	0	1	2	3	4	[✓ 5]	6	High
Ease of exit from market	Difficult	0	1	2	3	4	5	[✓ 6]	Easy
Risk involvement in business	Much	0	1	2	3	[✓ 4]	5	6	Little

Average 3.86 – Score on graph: 3.9

Competitive approach

SPACE 5/5



- Aggressive posture
  - eBay has a competitive advantage and is in the financial position to protect it
- Competitive posture
  - The competitive advantage exists, but eBay still has to improve its situation in emerging markets like e-tailing

The main markets of eBay are online auctions and e-tailing, the company has a strong position to enhance it situation there

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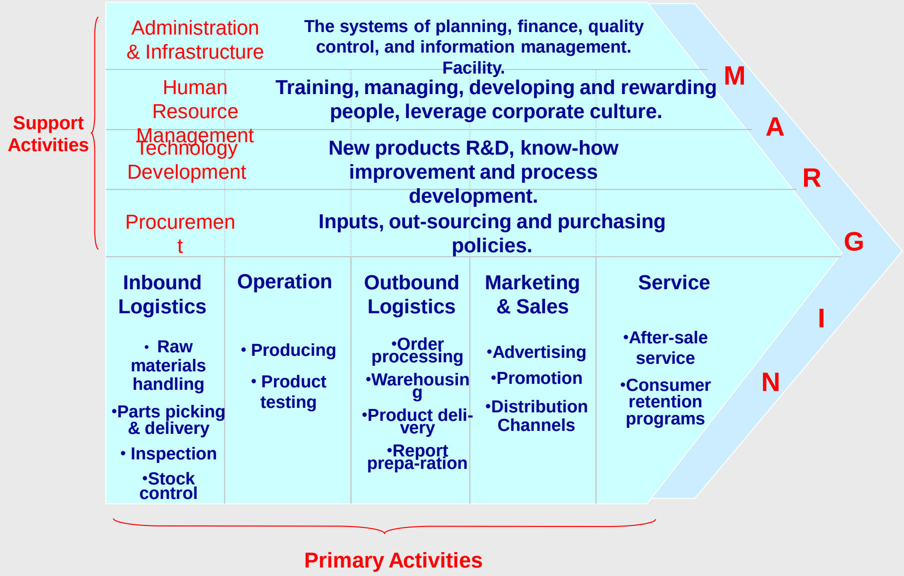
CHAIN VALUE ANALYSIS

STRATEGIC FIT

Value chain analysis



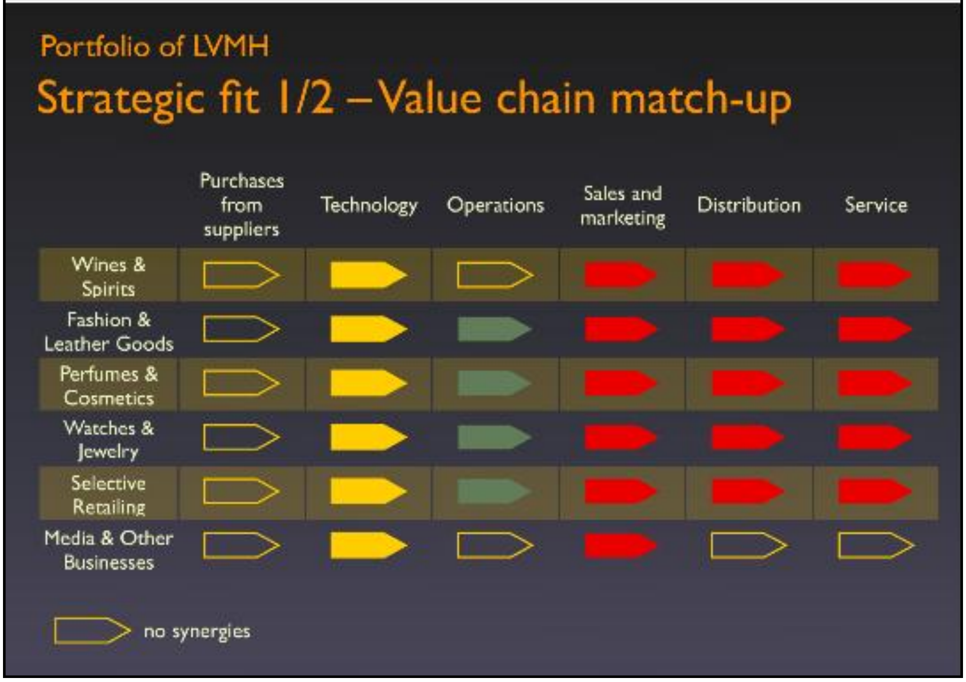
Support Activities

Administration & Infrastructure	**The systems of planning, finance, quality control, and information management. Facility.**
Human Resource Management	**Training, managing, developing and rewarding people, leverage corporate culture.**
Technology Development	**New products R&D, know-how improvement and process development.**
Procurement	**Inputs, out-sourcing and purchasing policies.**

Inbound Logistics	**Operation**	**Outbound Logistics**	**Marketing & Sales**	**Service**
• Raw materials handling •Parts picking & delivery • Inspection •Stock control	• Producing • Product testing	•Order processing •Warehousing •Product delivery •Report prepa-ration	•Advertising •Promotion •Distribution Channels	•After-sale service •Consumer retention programs

Primary Activities

M A R G I N



Portfolio of LVMH

Strategic fit 1/2 – Value chain match-up

	Purchases from suppliers	Technology	Operations	Sales and marketing	Distribution	Service
Wines & Spirits	▷	🟨	▷	🟥	🟥	🟥
Fashion & Leather Goods	▷	🟨	🟩	🟥	🟥	🟥
Perfumes & Cosmetics	▷	🟨	🟩	🟥	🟥	🟥
Watches & Jewelry	▷	🟨	🟩	🟥	🟥	🟥
Selective Retailing	▷	🟨	🟩	🟥	🟥	🟥
Media & Other Businesses	▷	🟨	▷	🟥	▷	▷

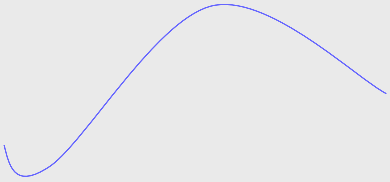
▷ no synergies

SIGMOID CURVES

Business cases

- The Sigmoid curve

The diagram of our life
A Product/Company life diagram
The story of Empires (and dictatorships)
The story of personal relationships

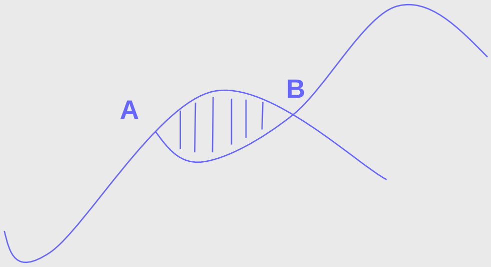


Everything is condemned to vanish and die?

Business cases

- The second curve (and the road to Davy´s Bar)

The second curve philosophy
Shell “disaster” scenario

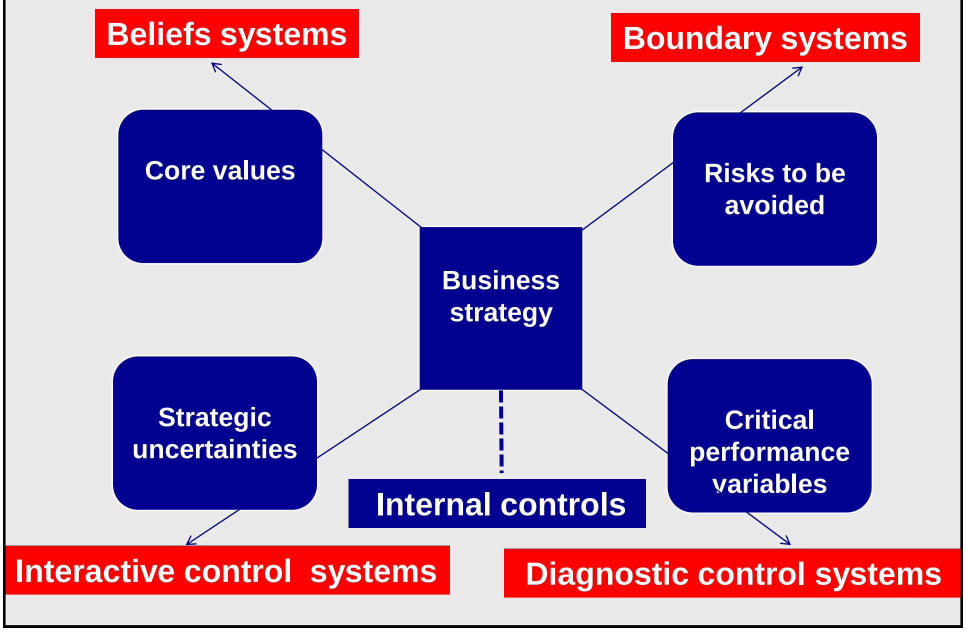


Few 1st curve managers survive to the second
Pharmaceutical CEO case
Coca Cola is the exception
Where is your company in the curve?

CONTROL IN THE AGE OF EMPOWERMENT

Based on lectures and cases by Professor Bob Simons, Harvard University

4 LEVERS OF CONTROL



Beliefs systems

Boundary systems

Core values

Risks to be avoided

Business strategy

Strategic uncertainties

Critical performance variables

Internal controls

Interactive control systems

Diagnostic control systems

ANALISIS DE VULNERABILIDAD

Analisis de Vulnerabilidad

- El Análisis de Vulnerabilidad pretende priorizar los procesos que soportan la organización, a fin de asegurar una pronta recuperación si las debilidades/amenazas competitivas se vuelven reales.
- Mide la Capacidad de Reacción e Impacto que pueden generar las amenazas sobre el negocio.

Analisis de Vulnerabilidad

	Capacidad de reacción	
Impacto de la debilidad	**Baja**	**Alta**
Alta	**I** **Indefensa**	**II** **Peligrosa**
Baja	**III** **Vulnerable**	**IV** **Preparada**

Analisis de Vulnerabilidad

- **Cuadrante I (Indefensa)**: La empresa debe abandonar la estrategia si esta amenaza se llegara a materializar y si esto no fuese posible, debe intentar aumentar sus capacidades de reacción.
- **Cuadrante II (Peligrosa)***:* En este caso, la compañía tiene teóricamente alguna capacidad de reacción, por lo que debe trabajar en el desarrollo de planes de contingencia asegurándose de no bajar la guardia.
- **Cuadrante III (Vulnerable)***:* Se trata de amenazas poco importantes en las que la empresa tiene poco que hacer. En este caso basta con trabajar en evitar que determinados cambios incrementen su posible impacto y en reforzar sus fortalezas.
- **Cuadrante IV (Preparada)***:* La empresa está preparada para afrontar este tipo de amenazas.

Debilidad o Amenaza	Cuadrante Alcanzado	Acciones a seguir
Dependencia del suministro de las granjas de animales	IV Preparada	Buscar el abastecimiento de animales en el extranjero.
Dependencia secundaria por la liberación de Divisas de CADIVI	II Peligrosa	Tramitar la documentación para obtener los permisos para la obtención de divisas. Adquirir divisas en el mercado paralelo.
Inestabilidad Socio-Económica del país.	I Indefensa	Asumir el alto “riesgo país”. Negociar asociación con algún ente gubernamental como solución alimenticia a los problemas de abastecimiento de carnes

MUCHAS (MUCHÍSIMAS) GRACIAS

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